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REA PRESS DIGEST

A summary of press items pertinent to REA

Vol. IV, No. 23

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U. S. DEPARTMENT OF AGRICULTURE

January 24, 1947

SAYS RURAL ELECTRIC SHOULD BE EXPANDED, Times (Washington Dispatch)
Roanoke, Virginia, December 22-----Claude R. Wickard, chief of the Rural Electrification Administration, warns that the need for an expanded electric service is becoming critical in many parts of the country.

Wickard said reports to REA disclose that fully half of the government-financed electric systems are unable to meet all the power requirements of their customers even now. The need will grow as farmers buy more and more electrical equipment, he said.

He added that nearly all REA cooperatives are stepping up their purchases of wholesale electric power.

"TVA, Bonneville and other agencies report that war-time consumption levels have been maintained throughout the period of reconstruction," Wickard said. "Large industries formerly engaged in war production are using just as much power for civilian goods.".....

"We cannot afford to assume that because during the war there was not an acute shortage of power for war industries, shortages will not develop when farm people have opportunity to put electricity to all the profitable uses they have in mind," he concluded.

(Similar articles in various newspapers)

TIME TO STOP FUSSING, Ray Yarnell, Capper's Farmer, December-----More than half of the farms of the United States now are receiving central station electric service. That is a fine accomplishment by the Rural Electrification cooperatives and the privately owned electric companies. It has added much to the comfort and convenience and efficiency of farmers. It will contribute more in the future because farm folks will learn how to use this servant profitably for more and more purposes.

The most difficult and costly part of the job of electrifying farms still is ahead. Farms easiest to reach were the first to get service. It will cost more to reach those farther away, and it will take more time. Cost of operation is higher in regions where the number of patrons per mile of highline is small. Getting service into such areas at a reasonable

cost and within a reasonable time will require the best engineering and management available and cooperation by all agencies concerned.

...Claude R. Wickard, Rural Electrification Administrator, persists in frequent attacks on the privately owned electric companies which are engaged in extending central station service to rural areas. Other officials have followed his example. A case in point was the refusal of Mr. Wickard to participate in a national Farm Electrification conference in Chicago because it was sponsored by the Edison Electric Institute, the trade association of the electric power industry.

There has been friction between these groups in the past. I suspect the privately owned power companies have done things in competition with REA that they shouldn't have done. Certainly they were not as eager to extend rural lines before the electric coops came into existence as they are today. But that is water over the dam.

If remaining farmers are to get electric service in the shortest possible time and at the lowest possible cost, we need cooperation rather than fussing at high levels in REA, the electrical cooperatives and the electric companies. The important thing is to get the lines built and the current flowing. Who gets the credit or performs the service doesn't matter much to the farmer and his wife who are waiting for the day when they can turn a switch and have an extra hired hand.....

FARMERS NEED MORE POWER, Franklin P. Wood, Diesel Progress, December, 1946---
Since the Rural Electrification Administration was established in 1935, the number of American farms electrified has jumped from fewer than 750,000 to approximately 3,100,000, or from less than 11 per cent to nearly 53 per cent of the total.

Impressive as this 11-year record of accomplishment is, REA regards it as merely a prelude to far more significant developments in rural electrification.

REA-financed rural electric cooperatives have plans for construction of facilities to serve more than a million new rural consumers....Such a program involves an appraisal of the nation's facilities for producing power and distributing it to farmers....Reports received by REA from rural electric coops show that farmers are using electric energy on a scale that surpasses the wildest dreams of the pioneer rural electrification planners of the 1930's....

Generating and transmission facilities are already insufficient in many sections of the country, and the need is becoming more acute with each passing month.

For improvement in the nation's over-all power supply picture, REA and the coops are heavily dependent on private power companies and publicly-owned power suppliers, which together furnish at wholesale

about 90 per cent of the energy distributed over REA-financed lines. In certain areas where circumstances warrant, REA can help directly by making loans for the installation and construction of generating and transmission facilities. A recent REA study shows that cooperatives in 13 states have realized savings of \$2,265,000 a year in wholesale power costs as a result of the construction of generation-transmission facilities or proposals to build such systems.

That REA regards generation-transmission loans as an essential feature of the rural electrification program was made clear recently by Administrator Claude R. Wickard: "If rural people lost this opportunity (to obtain generation-transmission loans from REA), they will lose their most potent defense weapon against inadequate service and exorbitant rates--a defense weapon against those who in the past have always charged for electricity all that the traffic will bear."

During fiscal 1946, the 62 REA-financed systems generating power produced slightly over 283,000,000 kwh. of energy, which they sold at cost to distribution coops. This is slightly more than 10 per cent of the amount of power which the distribution coops purchased from private companies and publicly-owned suppliers during the same period.....

HIGH RURAL STAKES, Times, Hartford, Conn., December 16-----What is described as a "battle-royal for the potential \$5,000,000,000 small town rural market in electrical appliances and equipment," is now under way. Lined up on one side are the electric utilities, appliance manufacturers and distributors, wholesale and retail. On the other are the large oil producers and dealers in liquid petroleum gas.....

This "Big money" battle should produce some very interesting results. Until bottled gas became available within the last few years, rural dwellers were at a disadvantage when they sought modern lighting and heating facilities. Too many electric utilities made conditions difficult when rural dwellers sought extensions of power lines, sometimes virtually requiring the applicants for service to finance the extensions. The Rural Electrification Administration was created principally to extend electric lines into territory where the utilities could not see sufficient profit to justify the service. And then came bottled gas, the popularity of which in rural areas has alarmed the electrical industry, and even the REA.

.....This rivalry is resulting in the launching of a campaign by the electrical industry with the slogan, "Go All-Electric--The Modern Way." The stakes are greater than the industry saw them a few years ago...That is evident from the fact that now there are 120 producers of bottled gas who distribute the product through 2,000 bulk stations and 15,000 retailers. Probably never before was there much competition between public utilities and private business.....

(Similar articles in New York Times and various other newspapers)

RURAL TELEPHONES VIA RADIO PROJECTED AT REA PARLEY, The Christian Science Monitor, December 19-----Telephone engineers and Rural Electrification Administration technicians conferred yesterday on technical problems of extending carrier telephone service into remote farm areas.....

The meeting was conducted to inform...on new developments in telephone equipment for the carrier service.

Carrier telephone service combines principles of telephone and radio and is sometimes called "wired wireless".

It uses electric power lines, on which a voice-carrier wave of radio frequency "hitch-hikes." Transmitting and receiving equipment, basically a small radio, is installed at the central switchboard and at the subscriber's end of the line.

The use of REA-financed power lines for carrier telephone service was started a year ago at Jonesboro, Ark., by the Southwestern Bell Telephone and Telegraph Company.

These have proved carrier service feasible for rural areas...and both the REA and Bell operating companies are interested in extending it as rapidly as possible.....cost is approximately the same as for any rural telephone service....regulation telephone equipment is used. The advantage is that telephone companies are able to take advantage of power lines already operating.....

(Similar articles in various other newspapers)

BEFORE WE BOAST, Tennessean, Nashville, Tennessee, December 13-----Tennesseans' pride in TVA, justifiable as it is, does not put electric light in every home or power on every farm. REA's recent release disclosing that 164,366 farms in Tennessee do not yet have electric service shows what a job is still ahead before the benefits of this great valley agency are made accessible to the whole population.....

With the assistance of the REA, the job is moving ahead in this state. The agency has allowed loans of \$7,417,358 for this purpose in 1947.... One farm in twenty-eight had electricity in 1933. The status is now more than one farm in four. But the brown-out will not be ended until it stands at one farm in one.

(Similar articles in other Tennessee newspapers)

THE DAY IN INDIANA, Maurice Early, Star, Indianapolis, December 25----A movement is gaining ground to expand the junior college plan (In Indiana) in some of the larger cities. Educators, who predict an expansion of junior colleges, are concerned particularly about advanced education for rural youth. Electrification of farms and the increasing use of all kinds of mechanical devices on the farms, they say, make it imperative that future farmers have training in addition to a high school education. For the most part, this training should be practical rather than cultural.

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February 10, 1947

REA DISAVOWS ATTEMPT TO PRESSURE CONGRESSMEN, Post-Dispatch (St. Louis, Mo.,) January 20 (AP Dispatch)-----REA told Congress today that while it does not condone efforts to "unpressure Congressmen by propaganda", it has no control over such activities by borrowing cooperatives.

The REA's position was stated to the House Executive Expenditures Committee by William J. Neal, deputy administrator, in questioning about a form letter sent out by the O. and A. Electric Cooperative, of Newago, Michigan. Neal's testimony was in response to a request from Chairman Hoffman, of the committee for information on the extent of REA loans and where and how the money was being spent. Hoffman had said that rural electric cooperatives were "propogandizing" Congress to expand appropriations for the REA.

Hoffman cited a letter which he said had been written by Earl Murley, project manager of the Newago co-op. Addressed to consumers in 13 counties, the letter contended the co-op's program might be "sabotaged".

FARMERS DEMAND ELECTRIC SERVICE. New York Times, Washington, January 19-----Farmers made an unprecedented demand for electric service in the fiscal year ended on last June 30, REA declared today in its annual report.

Administrator Claude R. Wickard reported that \$290,000,000 was allocated to borrowers in 45 states and Alaska, twice as much as in any previous year. He added that the backlog of applications, which stood at \$240,000,000 at the beginning of the fiscal year, amounted to \$208,000,000 at its close.

(Similar articles in many other papers.)

CO-OPS FACE OPPOSITION IN MIDWEST, Public Utilities Fortnightly, January 16, (from "Utility Picture at the State Capitals for 1947" by Ralph S. Childs)--In January, 1947, 44 out of the 48 states will hold their regular biennial sessions of their respective state legislatures...Certain substantial problems in the public utility field are bound to challenge the attention of the state legislatures. Among these problems are:

1. TAX EXEMPTION OF COOPERATIVES AND PUBLIC AGENCIES---There is today more steam behind the general movement to make public agencies engaged in private business operations and cooperatives bear their fair share of the tax load. The work of the National Tax Equality Association----

is beginning to have effect. In the middle and northwestern states (including Ohio, Indiana, Illinois, Wisconsin, Iowa and Nebraska), the sentiment in favor of removing tax exemption is reported to be on the increase.....There is also concern being felt for the removal of property from.....tax rolls as the result of acquisitions.

2. MORE REGULATIONS OF REA CO-OPS BY COMMISSIONS-----There appears to be a growing feeling.....that rural electric cooperatives...are operating as public utilities and should be subjected to regulations of the state public utility commission....over rates and service....The fact that REA co-ops are paying off their indebtedness ahead of schedule, thereby hastening the days of their independent operations, accentuates the agitation.....

IOWA TAX STUDY COMMITTEE RECOMMENDS TAXATION OF REA CO-OP, Register, Des Moines, January 12-----The Tax Study Committee, created by the 1945 session, is reporting to the 1947 legislature after two years of study of postwar taxation...Among its proposals, the committee recommends taxation of rural electrification (REA) co-ops and municipally owned utility property.

CALIFORNIA UTILITIES OPPOSE REA CO-OP, News, San Francisco, California, January 10-----A test case to determine whether the State Utility Commission has the power to control federally-operated cooperative utility systems in California was in prospect.

The case stemmed from a complaint filed by the California Electric Power Company against the Mesa Electric Cooperative, which serves an area near Victorville.....The California utility seeks to compel the cooperative to register with the utility commission. It also asked the commission to take jurisdiction over the co-op and to deny it a certificate of public necessity to provide power in the area.....

The test case probably will be carried to court to determine whether REA co-ops are exempt from control by the utility commission.

FREE ENTERPRISE AND PUBLIC UTILITIES, Star, Tucson, Arizona, January 14-----If the public utilities of the state want to get an idea of what is wrong with their business and why no one should take seriously the tears they shed about "free enterprise", they have only to look to a recent event in Maricopa County.

A group of rural residents wanted electricity. The Central Arizona Light and Power Company did not give it to them. Instead of meekly accepting this refusal, these residents did what any body of able bodied American people would do, when some one refused to sell them something they want. They decided to furnish the electricity themselves by forming a rural cooperative under the authority of the REA.

In order to do that, they had to get permission from the county board of supervisors...Who would believe that anybody asserting belief in "free enterprise" would oppose such a show of individual initiative? Yet the Central Arizona Light and Power Company opposed the granting of this permission and now seeks an injunction in the courts.

Thus we see a public utility at first refusing to give a service yet trying to block some rural residents from helping themselves!

The supervisors of Maricopa county justifiably granted the permission. As soon as it was granted the Phoenix utility started setting up its own poles and running its own lines. Thus not until competition showed its head, did it arouse itself and set out to do what it had previously refused to do!

The interesting thing about this incident is that this utility which makes such throbbing statements about "free enterprise", "rewarding private initiative", and "less government interference" tried to invoke the aid of the county government, and now of the courts, to stifle the initiative and free enterprise of a group of rural people who, when no one else would do it, decided to serve themselves with electricity.

INAUGURAL MESSAGE OF OKLAHOMA GOVERNOR, Tulsa Tribune (extract from Gov. Roy J. Turner's inaugural address delivered in Oklahoma City) January 13----- Agriculture is the basic industry of our state and any program bearing on the welfare of Oklahoma must place heavy emphasis on agriculture. As our ranches and farms prosper, so prosper our towns and cities.

The principal needs of our rural communities are embodied in roads, schools, markets, electrification and improved production methods.... Through privately owned utilities and the REA, electricity has been brought to nearly half the farm homes of Oklahoma.... The expansion and development of rural electrification program is a matter of prime importance to our farm families and will be wholeheartedly and enthusiastically supported by this administration.

AMERICAN FARM BUREAU RESOLUTIONS, "The Nation's Agriculture", January issue--- Among the resolutions passed at the 28th annual convention of the American Farm Bureau Federation was one approving the REA program. The resolution, as passed, stated: "We support the Rural Electrification Administration program, and urge privately owned utility companies to push their program in farm areas. We look with concern upon REA activities in merchandising electrical equipment. We oppose REA loans for building generating plants except in cases where positive savings can be made for consumers, or where power is not available from other sources."

POWER USE STUDIED, Post Dispatch, St. Louis, Missouri, January 14-----The Principles of cooperatives cooperation provide the only way the REA staff can proceed with the REA program, Carl Hamilton, assistant REA Administrator said here.

Hamilton spoke to more than 110 top workers in the agency's applications and loans division...here...for a working conference...on extending rural power use. Two major jobs were cited by Hamilton. First was the completion of the rural line building program and second, providing the means for the more effective use of power. Hamilton said a major part of the power use program would be stimulating research leaders and educators to do more in the rural electrification field.

GEORGIA CO-OPS GET RATE REDUCATIONS, Atlanta Constitution, January 12-----
Georgia Public Service Commission has ordered the Georgia Power Company to reduce its REA wholesale electric rate by an average of $12\frac{1}{2}$ percent, it was announced by Walter R. McDonald, commission chairman.

The order provides for an average reduction of approximately one-mill per kilowatt hour and will save Georgia's REA co-ops \$66,810 per year... The newly prescribed rate will eliminate the resale discount provisions and the demand charged on all power except that consumed by industries using equipment rated 50 horsepower. In the case of cotton gins, the demand charge will apply only during the months in which the current is actually used.....

ARKANSAS CO-OPS GET RATE REDUCATIONS, Arkansas Gazette, Little Rock, January 10---
The Arkansas Power and Light Company's power rate to 13 electric cooperatives was modified by the Public Service Commission to permit lower resale rates for agricultural and industrial purposes.

An average rate of 5.8 mills per kilowatt hour was established. All power loads of more than 40 kilowatts will be billed to the co-ops by the AP and L on their wholesale for retail rate. This permits a lower charge for farm and industrial customers using less than 100 kilowatts. Industrial consumers requiring a load of more than 100 kilowatts from a co-op will be charged 20 percent less than an AP and L customer.

KANSAS MANAGERS DISCUSS RISING COSTS, Kansas City, Missouri, Star, January 6--
Rising construction costs in establishing lines and setting up equipment for the rural electrification program were discussed today at the session of the Kansas Manager's Association of REA.

The cost of erecting a comparable stretch of power line has jumped from \$900 to between \$1300 and \$1400, it was said. The difficulty of obtaining materials was also cited. Approximately 18 months are necessary to obtain delivery on a transformer...The 36 Kansas associations are in a position to serve 40,000 farms, but participation now covers approximately one-half that number.

ONE HUNDRED THOUSAND TEXAS FARMERS DEMAND ELECTRICITY, Times-Herald, Dallas, Tex., by F. R. Jones, of Texas A & M College, College Station, January 5-----
Nearly 100,000 Texas farmers are asking for rural electrification. One hundred and thirty thousand farmers are users of electricity and only shortage of equipment is holding back a \$35,000,000 to \$45,000,000 line-building program.....

The overall picture for expansion of electrification program in Texas calls for the total expenditure of \$130,000,000 (which includes \$31,000,000 for new productive equipment and \$20,000,000 for replacement equipment) during the next five years...

SINGLE POWER UNIT SOUGHT BY DIRKSEN, Knickerbocker News, Albany, New York, Washington (Gannett News Service), January 16.....Rep. E. M. Dirksen (R.Ill.) is sponsoring a bill to lump Uncle Sam's sprawling power activities into one billion dollar agency.....

A \$10,000 a-year power administrator would take over the TVA, Bonneville Power Administration, Federal Power Administration, REA, power loan functions of RFC and Defence Plant Corporations, and in addition, would assume control of all functions of the Securities and Exchange Commission relating to the regulation of electric utility companies, Federal Works Agency's activities in Reclamation's power production and marketing functions. (Similar articles in many other papers.)

CO-OPS WARNED THEY FACE DOMINATION BY WASHINGTON, Electrical World, Jan. 4----
Members of REA-financed rural electric cooperatives must soon choose whether to continue as "business-managed organizations" or be completely dominated by bureaus in Washington."

That was the substance of a letter written recently by Frank W. Wilkes, president of the Southwestern Gas and Electric Co., to the managers of 11 rural co-ops which purchase power at wholesale from S.G. & E. Charging that REA has been trying to "run down" the utilities which serves co-ops he deplored what he termed the "interference" by federal bureaus with the operations of the co-ops. The principal difference between established utilities and the cooperatives, he said, is that the utilities borrow from banks and the general public while the co-ops borrow from the federal government.

"As long as we meet our interest charges," he added, "our bankers have no authority over our actions---as long as you meet your fixed charges, there should be no interference by federal bureaus with your operation."

...Also included with the letter to the co-ops managers was a copy of the proposal submitted by 12 electric utilities to the Southwestern Power Administration, recommending the sale to the companies of all energy produced at hydro-electric projects under SPA jurisdiction....The company plan would make unnecessary the gigantic project for linking these dams with federal transmission lines, as planned by SPA, Wilkes said.

CARRIER CURRENT, Federal Science Service, February, 1947-----Power lines that stretch across the Nation's vast farmlands may soon bring telephone service to hundreds of thousands of isolated rural families, thanks to the joint efforts of the Bell Telephone Laboratories and the Rural Electrification Administration.

Mass production of the equipment necessary to install power line telephone systems...called "power line carrier systems"---has already begun and in areas served by four cooperatives of REA, such systems are now in operation....These trials have not only proved the general practicability of the power-line-carrier telephone system but also demonstrated that, in quality and intelligibility of speech transmission, rural carrier service is the equal of big-city service.

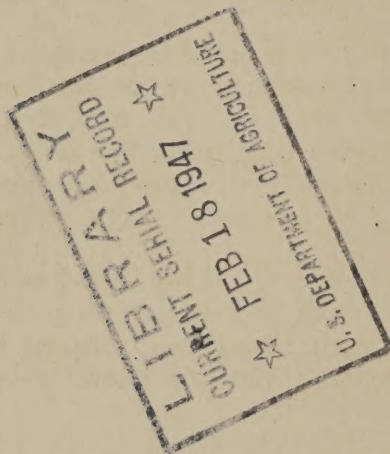
Present design limits the use of carrier telephone equipment to single-phase rural power distribution circuits that consist of one phase wire and a multigrounded neutral. Research for its application to three phase, three-wire circuits has already started.

A single system can carry six party lines, each of which will serve eight or more customers and as many systems as needed can be used on the same power line.

Though the power-line carrier method will be an important means for extending rural service, its use in specific areas will depend on its technical and cost advantages over other means.

Carrier telephone methods will probably be used chiefly in areas with only one or two telephone subscribers per mile. In such areas the high initial cost of carrier equipment is less than the construction and maintenance cost for the same length of conventional telephone line. Moreover, improvements in design and manufacturing, along with mass production, will reduce the cost of equipment.

The Bell Telephone system announced last year a proposed expenditure of \$100 million to bring service to a million rural families within 3 to 5 years. The first session of the 79th Congress received three bills to authorize loans for "providing telephone service to persons in rural areas". Two bills called for investing the authority in the Rural Electrification Administration and the third in a Rural Telephone Administration.



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February 24, 1947

NEBRASKA GOVERNOR'S INAUGURAL STATEMENT ON RURAL ELECTRIFICATION, State Journal (Lincoln), January 10--Governor Peterson had this to say about the rural electrification program in his inaugural address: "While this program is largely federal, it is of such importance to Nebraska that we must be ever alert to do everything to foster it and to see that the benefits of electricity are brought to every possible Nebraska farm. This is one program emanating from Washington which is paying its way.

ALL ELECTRIFIED FARMS IS GOAL, World Herald (Omaha, Neb.), Lincoln, January 30--The Nebraska Association of Rural Public Power Districts resolved to ask the Nebraska delegation in Congress to "vote for sufficient appropriations to enable all Nebraska farms to be electrified within the next five years".

The association opposed a Congressional bill providing for the consolidation of REA, TVA and Federal Power Commission;

Other resolutions:

Asked the REA to establish regional offices and give their heads "full authority to act on all regional matters".

Asked the REA to provide enough auditors to make quarterly audits of all projects in Nebraska.....

SOUTH CAROLINA GOVERNOR'S COMMENTS ON REA, Greenville News (Greenville, S. C.) January 22--Following is an excerpt from Gov. J. Strom Thurmond's inaugural message to the General Assembly on rural electrification:

The completion of the rural electric cooperative program for the electrification of the rural areas of South Carolina is a matter of vital importance to every farm home in the state. I recommend that the Public Service Commission, and if necessary the General Assembly, take such action as required to bring about such reduction in wholesale rates as will provide power to our rural electric cooperatives at a reasonable price and to all of them on a uniform basis.

LEGISLATORS TO ASK REA CONTINUATION, Star Journal (Minneapolis) January 22 --Continuation of the REA program without congressional cutback's was to be asked in a concurrent resolution originating in the Minnesota house of representatives.

Harry Edmunds, president of Minnesota REA, said, "We can have farms in this state 100 per cent electrified in five years....."

KENTUCKY FARM BUREAU RESOLUTION ON REA, Kentucky Farm Bureau News, February--
Electric service available to every rural home is a goal set by the Kentucky Farm Bureau. We will support all programs that lead toward a more complete and economical service. This organization will aid cooperatives in their post-war plans in securing and maintaining low wholesale rates for electric power.

Unjust taxation can greatly curtail the completion of a rural electrification program and the Federation will vigorously oppose any legislation placing inequitable taxation upon rural electric cooperatives. Any action that will tend to restrict the development of economical electric service will be vigorously opposed.

POWER PLANT SALE CAUSES HURLEY STORM, Argus-Leader (Sioux Falls, S. D.)
Hurley, South Dakota, January 29-----A mass meeting of Hurley citizens is being called the last of this week by the city council to consider a;; sides of the lighting and power question which was precipitated when REA purchased the distribution system of the Interstate Power Co.

The city council and citizens of the town are debating the proposition of whether to use current supplied by the new owners or whether to grant the Northern States power Company a franchise to come into the town and supply current.

Other towns of this area, which have been served by the Interstate Power Company have opposed the transfer of their city transmission lines to the REA and they have all entered into negotiations with the Northern States Power Company for a franchise to supply current.

UTILITY OPERATING COMPANIES, Wall St. Journal, January 25---Liquid petroleum gas has been making sharp inroads on the potential rural business of the private electric companies and of the REA cooperatives during recent years. In fact, this competitor constitutes the most serious threat to date to the profitable development of rural electrification..

Rural electrification is far more expensive than urban or suburban service. This is because of its low density. City and suburban electric customers number about 20 to the mile, against five rural customers to the mile for the cooperatives. The higher rural average for the private companies against the co-ops is due to their earlier entrance into the field and to their having garnered most of the best farm customers.

The investment of the REA co-ops for each farm customer is estimated at \$350 and that of the private companies at \$300. This compares with an urban investment in distribution and other facilities of probably no more than \$100. Property taxes and depreciation on the private companies' rural investment came to \$18 per rural consumer annually, against only \$6 for each urban customer.

To place rural electric service on a paying basis it is necessary to develop large uses of electricity. With the exception of dairy and specialty farms the principal means of doing this is by encouraging electric cooking and water heating. To date this has not been done with any marked success in many areas.

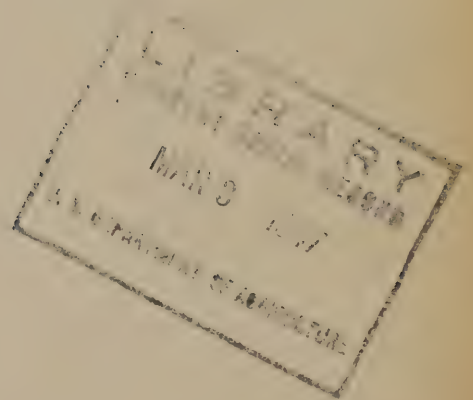
Urban customers of the average electric company have to make up for the lack of profit on the farm end of the business. The co-ops are getting by solely because of their tax exemptions.....

UTILITIES HOPE TO SET NEW OUTPUT RECORDS, Post-Gazette (Pittsburgh) New York, January 25-----There was a record backlog of more than 600,000 applicants for electric service, waiting on materials and to some extent on the availability of ample skilled labor at the start of 1947.

The utility industry in its first full year of peacetime operations in nearly five years had chalked up new records in many departments.

Grover C. Neff, president of the Edison Electric Institute, said nearly 2,000,000 new customers were hooked up to power lines in 1946 despite difficulties encountered in procuring poles, wires and equipment. This was the greatest number of new connections effected in any single year in the history of the industry, he said.

Most of the new customers connected to power lines during the year were in the rural areas....Total expenditures approximated \$600,000,000 during the year. The outlook for 1947 is that this sum will be substantially exceeded.



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March 6, 1947

THYE FIGHTS ATTEMPTS TO CRIPPLE REA, St. Paul Dispatch, Washington, February 3-- Senator Thye's vigorous defense of the rural electrification program has made Minnesota the spearhead of a campaign to prevent crippling of the REA in the new Congress, it was disclosed here today....

Senator Thye thus far has received more than 2,000 letters, telegrams and petitions as a result of his forthright declaration published in the Dispatch and Pioneer Press, that he would oppose any and all attempts to reduce the effectiveness of the REA....

ELECTRICAL POWER AND COMPETITION, Tuscon, Arizona, Star, February 9--- Anyone who believes in free enterprise must believe in competition. Anyone who takes a look at our country, can see how it is being built by free enterprise and how the competition it generates has been one of the most stimulating forces for progress.

All of this has a bearing on a news story....in this morning's Star where a Star reporter describes how a rural electric cooperative with headquarters at Willcox has brought the blessings of electricity to hundreds of ranchers in the Sulphur Spring Valley of Cochise county, has lowered electric rates and is wholesaling power to Benson....

This development, and some other ones close by to Tucson, merits special recognition at this time, because of a fight brewing in the state legislature over a bill that would virtually extinguish electrical competition in Arizona. When the former private utility at Willcox refused to extend its service, the people of the community formed their cooperative and with a loan from the federal REA bought the utility and developed their own service.

This service is now on a paying basis. It earned more than \$50,000 last year but provided electricity to several hundred farmers and ranchers. Such service was considered "impossible" by the former private owners. So without hurting anybody, this enterprise has by the competition it has fostered brought benefits to many. But there is another angle of timely importance which has a direct bearing on the power authority bill before the legislature. The Willcox REA wholesales electricity to Benson. Just why did the Tucson monopoly fail to provide this service?

The reason is that the power monopolies throughout the state have skimmed the cream of the power market and left the smaller markets, the skimmed milk, for others to worry about. That the Tucson company has failed to run a line to Benson, 50 miles away, is because the market there was not considered profitable enough. That the rural cooperative now does the job shows the value of competition and the blessings it brings.....

The new power authority bill introduced in the state legislature, would by its restrictive provisions, shackle possible competition by making the Arizona Power Authority a mere bureau of the Arizona Corporation Commission. It would virtually prevent the state from using the heritage of electric power...for Arizona from being used competitively in the wholesale field....

...if Arizona is to get what it needs (in way of power), it must go to Boulder Dam and take what belongs to it. The act of Congress requires that it be taken by an authority of the state and not by a private company. Yet the private power companies are now endeavoring to prevent that power from being distributed save as they would have ordered through the Arizona Corporation Commission.....

COMFORTS ON THE FARM, Editorial in Dispatch (St. Paul, Minnesota), January 30-- Business has been better for Minnesota's well drillers, according to the head of their state organization, Ole Johnson. Improved farm income has helped...well drilling...But Mr. Johnson says the gain has mainly come from extension of electric power facilities to the farms.

The REA program has done more than increase the number of wells drilled in Minnesota. Rural electrification has brought convenience and comfort to farm homes that were not found there before. Suggestions that the program is to be curtailed nationally met promptly with Minnesota opposition.

A joint resolution of House and Senate is pending, wherein the state legislature would communicate its view that REA should continue unhampered..Of...alphabetical agencies, it has been among the most popular and deservedly so. It has been no Treasury raid, either, for loans made under the program's terms are being repaid, most of them in advance of due dates.

WHAT DOES THE "R" STAND FOR?. Farmer, St. Paul, Minnesota, February 1---- The "R" in REA has always stood for "Rural"--at least that is what Congress intended when it established REA. And when Congress appropriates money for REA, the belief is that it will be used to supply electricity to farms; at least, to rural areas.

But REA "bureaucrats" have plans of their own, so don't be too sure when you read that money has been appropriated by Congress for rural electrification projects that farmers are going to get all the benefit. Some of it is being spent to buy distribution lines in villages, towns and cities.

An example of how REA funds are sometimes used for other than rural purposes is to be found in South Dakota where REA recently loaned five co-ops \$950,000 with which to buy the power distribution systems of 21 towns.

Excuse for this purchase....is that buying the lines was necessary to provide near-by farmers with highline service. REA claims in a press release that it got 4,326 new rural customers. The fact is that only about 200 of these 4,326 new REA customers live on farms.

We criticise this purchase because we want the money Congress appropriates spent for rural electrical development rather than for distribution lines already serving urban users.

THE SALVATION OF OUR COUNTRY, Call, Paterson, N. J., February 2---The REA has requested that Congress give it \$250,000,000 for lending purposes--plus a \$5,500,000 administrative budget. Coming at this time, that is a curious request indeed. The private utilities of the country are in the midst of the most ambitious, far-reaching rural electrification program in history. The goal which the utilities are confident will be reached on schedule if manufacturers are able to supply them with necessary materials, is to bring to all the farms of American, with the exception of extremely isolated operations, within easy reach of power lines by the end of next year. The cost will be about \$300,000,000 and every dime of it will be private capital which will create new and permanent taxpaying assets.

It should be obvious to all of us that the salvation of this country, with its high-standard of living and its \$260,000,000,000 debt, lies in the encouragement of private enterprise. Government solvency depends upon the maintenance of tremendous revenues as well as on budget reductions. Only producing industry can give us the taxes, the jobs and the opportunities we must have. That is why REA appropriations and the appropriations for all other activities which compete with business, should be eliminated as soon as possible. Free enterprise, not socialized enterprise, made us great and can keep us great.

In addition the refusal of the request of the REA will further reduce the national budget for the coming fiscal year and help considerably in enabling Congress to reduce federal income taxes, something we all realize must be done, especially, as it applies to persons with low income.

(Same editorial in many other papers; the Call credits it to the Hofer Syndicate, which at one time was heavily subsidized by the commercial power companies. See Federal Trade Commission Report on Utility Corporations, Vol. 71A pp. 92-98.)

DOES P.S.D. KNOW WHY? Editorial in Times, Louisville, Kentucky, February 1--- That mysterious force, electricity, knits town and country together in many ways. Rural electric cooperatives perceive that "cheap power" is essential to the agricultural and industrial development of Kentucky.

Officers of their Kentucky association and the Eastern Kentucky association of 18 REA locals assert that Kentucky Utilities Company charges a wholesale rate of ten or eleven mills per kilowatt hour to REA lines, whereas other private utilities charge only five mills in Georgia and Arkansas, six in Texas. And the TVA rate, they cite, is 4.5 mills.

Kentucky has had a Public Service Commission as long as TVA has been distributing power. This commission's sole function is to regulate rates and control the service of private utilities. It has unlimited authority to employ experts. It would seem to be the duty of the commission to study conditions, rates and services in other states, compare them and apply the knowledge to Kentucky's benefit.

If Georgia and Arkansas farms are lighted and powered at half the cost to Kentucky farms, maybe the commission can explain why?

REA WILL BUILD SECOND PLANT HERE, Herald, Grand Forks, N. D., February 1 --- Minnkota Power Cooperative, of Grand Forks, will build a new electric generating plant and construct 135 miles of new transmission lines with the \$2,500,000 loan approved by REA.

Andrew L. Freeman, Minnkota plant manager, said the new brick structure costing approximately \$1,800,000, will be constructed, starting next summer, on a site just east of the present plant at the north edge of Grand Forks.

The present 5,160 KW generating plant here is serving approximately 7,000 farm homes in North Dakota and Minnesota. The new plant, with a capacity of 10,000 KW will serve many more. But even with the two plants combined, together with the interconnected 4,800 KW station being built at Harwood, N. D., will be unable to serve all of the 40,000 prospective rural customers who desire rural electric service as quickly as possible, according to Manager Freeman.

COSTS DELAY REA PROGRAM, World Herald, Omaha, Nebraska, Hyannis, Neb., February 8----Excessive costs of labor and material have held up construction of rural electrification lines in the Sand Hills district east of Lakeside, 50 ranchers from the area have been told.

J. L. Samuels, manager of the Panhandle REA, told the ranchers at a meeting here that steps are being taken, however, to provide new sources of power. Negotiations are underway between the Panhandle group and the city of Hyannis for purchase of that city's diesel power plant. If the negotiations are successful, Mr. Samuels said, the plant will be enlarged.

REA GIVES TRICO LOAN, Arizona Republic, Phoenix, January 31---The Trico Electric Cooperative, which was organized a year and a half ago to operate in extensive areas in Pinal, Pima and Santa Cruz counties, was notified it has been granted a \$600,000 loan by REA to finance the initial phase of its power service program.

Of this amount, (T. J. Smith, co-op president) says \$200,000 will be used to purchase the properties of the Eloy Light and Power Company...and \$60,000...in rehabilitating the Eloy system. The remainder will be used for power system developments...Applications for REA loans for Sections B and C of Trico's extensive program will be filed soon, the co-op president announced.

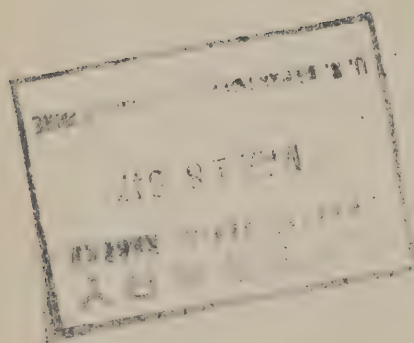
TWO CHARGE REA POLITICS, Star Journal, Minneapolis, February 5----A charge of political manipulation of the rural electrification administration in Beltrami county enlivened an otherwise routine session of the Minneapolis house of representatives.

Rep. Leonard R. Dickinson, Bemidji, during discussion of a concurrent resolution asking Congress to continue the REA, said he recognized the benefits of the organization but disagreed with it "playing pressure politics".

"During the last campaign the REA in Beltrami county not only ran its electrical system but tried to run a political campaign as well," he charged. "I want the house to know that I resent this sort of thing. They went so far, in some instances, as to approach REA users and tell them if they want REA continued they must vote so and so," he said.

Rep. P. J. E. Peterson, Trumau, one of the authors of the resolution, agreed with Dickinson's charges respecting Beltrami county. He said he "hoped the REA in Washington is properly informed" and asked for approval of the resolution notwithstanding.

The house voted its passage unanimously.



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REA PRESS DIGEST

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DRASTIC CUT FOR REA, Commercial Appeal (Memphis), Washington Dispatch, February 18---Complete elimination of the Federal school hot lunch program and abandonment of the proposed expanded research project of the Department of Agriculture are called for under the tentative budget reduction outlined for the Department by Republican leaders.

This was disclosed by Rep. Whitten (D. Miss.), a member of the Agriculture Subcommittee of the House Appropriations Committee. He said the legislative budget read Monday by Republican leaders of the group would cut from \$947,000,000 to \$553,000,000 the Agriculture Department's total budget as proposed by President Truman.....

Here is the breakdown.....

REA: drastic reductions, including \$125,000,000, in loan authorizations for additional REA construction.

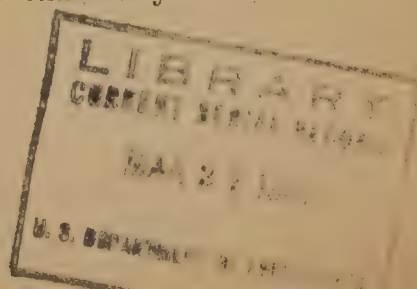
Rep. Whitten said, "So far as REA is concerned, these funds are loaned to the rural people of the nation. They are up to date on their payments and it will be a long step backwards to restrict this program at this time...."

WASHINGTON WIRE, Wall St. Journal, February 21----Pet Projects, not Army-Navy needs will determine Congress final spending.

Even if the legislators slice only \$4.5 billion from Truman's budget they'll have to toss out hefty hunks of political pie. Only about \$2,250 million can be taken from the Army and Navy.

Here's the surgery that will cause the real screaming. The farm bloc is slated to lose \$100 million from the AAA, \$175 million from REA, \$50 million from farmers' home loans. The West and South will fight the \$1 billion cut in irrigation and flood control. The \$75 million school lunch program will be hard to kill.....

TABER SAYS 'FAT' ONLY WILL BE CUT IN ARMS BUDGET, Herald-Tribune, New York City, February 23-----Considerable mystery surrounded the apportionment by the joint Budget Committee of the \$6,000,000,000 reduction. Some senators admitted privately that they had lists of the cuts.....



Senator Robert A. Taft....disclosed that his budget-cutting plans call for a 25 per cent reduction in public works spending.....

Other Taft proposals included cutting highway construction expenditures... and the REA budget from \$300,000,000 to \$100,000,000.

TABER RENEWS ATTACK ON CONTINUED REA EXPANSION PROGRAM, Pioneer Press, St. Paul, Minnesota (by-line story by Alfred D. Stedman), Feb. 11--- Powerful opposition to continued expansion of the rural electrification program became a certainty when Rep. Taber of New York, chairman of the House Appropriations Committee, stood by his guns and, despite a flood of protests from the agricultural states, reiterated an earlier attack on REA.

Taber's stand, together with sniping at REA from many directions in Congress, on various grounds, is the first open sign that foes of the rural electrification program are making hay in their efforts to check the rapid growth of the cooperatives.

Private power companies have been centering their fire on present authority of the rural electric co-ops to build generating plants in competition with existing power plants...an authority which REA spokesmen contend is rarely used but must be kept intact to maintain the co-op's bargaining advantages in bidding for power rates.

"Appropriations have been made for the REA on a basis three times as large as they have been able to spend in the last two years, "Taber's written statement, which was given this writer, said:

"I am not opposed to appropriations for the rural electrification program provided there is a need shown for it; provided it is managed on a business basis where the government would be reimbursed and provided the appropriations that are asked for are going to result in construction of facilities that will help the farmer, but to build up a great block of appropriation funds when the construction cannot proceed is not good business. Should we tell the people the truth about these things or should we tell them something else?"

In other words, his latest statement, although on the surface somewhat more moderate than earlier attacks which he hasn't repudiated, is really only a new and more adroit blast at the program and should be interpreted as serving notice that the program is in for a lot of trouble in Congress unless its friends fight for it. Sen. Thye is one of REA's most outspoken defenders....

OBSTRUCTING REA EXPANSION, Editorial St. Paul Dispatch, (Minn.) February 13-- New York's Representative Taber...has modified somewhat his original uncompromising opposition to further federal outlays for rural electrification, but, as his statement made to the Pioneer Press in Washington indicates, he is still opposed to "building up a great block of appropriation funds when the construction cannot proceed."

The fact of the matter is that a backlog of unexpended appropriations is vital to the REA, for without such reserves the rural electric co-ops cannot let contracts, engage engineers and place orders for materials.

Minnesota's Legislature is memorializing Congress, urging an expansion rather than a cut in REA appropriations...

This legislation, which launched REA is enabling legislation, of which Minnesota farmers have made generous and wise use. The program is one in which they have played the active part themselves, and its direction has been kept close to the farmers and farm housewives whom it so greatly benefits. The authority which REA units have to build power generating plants is very rarely used, but the fact that it exists has been a wholesome influence in keeping power rates down. The program has sustained itself financially and Congress should do nothing to curb it.

WISCONSIN REA PROGRAM THREATENED IN CONGRESS IS REP. HULL'S WARNING, Capital Times (Madison, Wisconsin), February 18---Rep. Marline Hull (R-Black River Falls) charged today that the whole electrification program in Wisconsin is threatened by the battered down federal budget which the joint budget committee will send to Congress.

"About \$100,000,000 of rural electrification money has been lopped from President Truman's budget," Hull said, "If rural areas in Wisconsin and other middle western states are to get power, this money must be restored to the budget..."

Hull said he would discuss the matter with other members of the Wisconsin delegation at their weekly caucus and that he "would certainly fight to get the appropriation restored".

KERR GIVES VIEW ON BUDGET SLASH, News and Observer (Raleigh, N. C.), February 16---Rep. John H. Kerr, who voted with the Republican majority of the legislative budget committee for a \$6,000,000,000 slash in the 1947-1948 budget, said today that he frankly doubts if that much can be saved....

He promised to "wage a ceaseless fight to see that the Department of Agriculture, and particularly the REA, AAA functions, and the Farm Security Administration, are not seriously hampered by budget cuts."

POWER TRUST OUT WITH HATCHET, Tennessean (Nashville, Tenn.), February 25---A serious attack on the rural electrification program in Tennessee "right now would play into the hands of folks anxious to smash TVA," State Sen. James H. Cummings declared. Cummings was speaking at a house committee hearing called to probe the failure of Tennessee rural cooperatives to extend their lines to thousands of farmers.

The Cannon Countian warned that "we must not be led to split apart on this issue while the private power trust is out with the hatchet for all of us."

"I wonder if it's possible that one of the reasons that the electric cooperatives can't get materials for extending rural lines in Tennessee is that manufacturers of this equipment are committed first to serve their friends in the private power trust"? Cummings asked.

Cummings' question was asked after Sen. W. H. Wiseman (Houston), who is also president of the Meriwether Lewis cooperative, has testified that his association sought to buy poles from a Texas firm, after usual sources had stated they had to supply private firms first. "We even had to pay double prices for some shipped all the way from the West Coast," Wiseman said.

Cummings was one of a procession of witnesses testifying before the house committee on the "extremely critical need" for extending electric power lines to thousands of Tennessee's rural homes.

Rep. Frazier Riggins (Stewart), chairman of the committee, indicated following the hearing that there is a possibility the committee may recommend that the state railroad and public utilities commission be given jurisdiction over extensions of power lines....

Walton Seymour, director of power distribution for TVA, announced that cities and rural cooperatives distributing TVA power plan to add 17,000 miles of rural line and 55,000 new consumers just as rapidly as materials can be obtained and the lines built. "That still won't complete the job..but it will push service to well over 50 per cent of the farmers", he said.

ELECTRIFICATION URGED FOR ALL MONTANA FARMERS, Great Falls, (Montana) Tribune, Cut Bank, February 7---"We should not be content until every farmer in the state has electrification," O. S. Warden, past president of the National Reclamation association and Great Falls publisher, told members of the Cut Bank Chamber of Commerce. Warden discussed rural electrification in conjunction with his main topic, "Irrigation as it Affects This Area and Montana."

Rural Electrification is greatly responsible for the fact that persons now are remaining on farms instead of migrating to the cities, Warden remarked. Farmers enjoy all the conveniences of a city home chiefly because they have electricity.

SPARKMAN HAILS HILL PHONE BILL, Times(Huntsville, Ala.) Washington dispatch, February 21--Senator John Sparkman has revealed figures showing a "phenomenal" rise in the installation of farm telephones in the past two years, which he said resulted in large measure from the rural telephone bill sponsored by Senator Lister Hill.

Sparkman said estimates by the telephone industry set installation of farm telephones at a rate eight times greater than the pre-war rate. Since April, 1945, an estimated 450,000 rural telephones have been installed. During the five-year period of 1935-40, only 150,000 were installed... "In the peacetime years of 1935-40, only 30,000 farm telephones were being installed annually. Since the introduction of the Hill bill, about 250,000 telephones a year have been installed." Senator Hill has reintroduced the measure in this session of Congress.

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REA PRESS DIGEST

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UTILITIES' FIGHT OVER DAM SITE, The Milwaukee Journal, Madison, March 5----

A fight for electrical power in Wisconsin between privately managed utility companies and the Dairyland Power cooperative developed...in the second day of the public service commission's hearing on the application of the cooperative to erect a 65-foot high dam on the Flambeau River in Rusk county.

As the conservationists and outdoor minded witnesses finished their testimony...in opposition to the proposed Flambeau structure, handlers of privately owned and cooperative owned electrical energy were sworn in and stated their cases.....

The hearing was then adjourned, to continue at Ladysmith, March 18. The Wisconsin conservation commission and department are opposing the dam and have been joined by numerous conservation organizations...

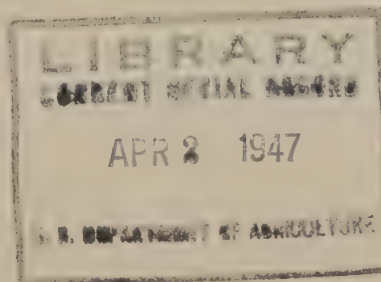
Aldo Leopold, conservation commissioner,...said it would be detrimental to have "commercial establishments at the front door for they would ruin the wilderness aspect of the Flambeau."

When J. S. McMillan, vice-president in charge of sales for the Northern States Power Co., took the stand, the struggle between the private utilities and the cooperatives began to take form. McMillan said: "We will make an agreement on any proposition to supply any cooperative with power..."

M. W. Torkelson, chairman of the state planning board, declared: "...The great preponderance of evidence indicated that such structures (the dam) are detrimental to fish and wild life..."

K. A. Reid, executive director of the Izaak Walton League of America, appeared in opposition to the dam....

John O. Foress, Ashland, vice-president of the Lake Superior District Power Company...said that his company has offered to sell the cooperatives "all the power they want"....



HELLO WISCONSIN, Capital Times, Madison, Wisconsin, March 10---Weekly radio broadcast, by William T. Evjue, printed in Capital Times. Hello Wisconsin! Last week the following editorial appeared in the Capital Times: "We often wonder why it is that so-called sportsmen and conservationists and some women's clubs always become excited and deeply concerned over the destruction of scenic beauty on our rivers when a farmer's organization or an REA co-op seek the right to build a dam on a Wisconsin river. We wonder why the same protests aren't heard when big PRIVATE utility interests seek the same right?

The editorial was inspired by the action of the Wisconsin conservation commission in fielding an array of witnesses before the Wisconsin public service commission in opposition to the application of the Dairyland Power Cooperative...to build a dam across the Flambeau river....

The application is being opposed by the Lake Superior District Power Co., which charges the dam would interfere with its dams at Big Fells and Ladysmith. The spokesman for the conservation commission say that they oppose the dam because it would injure fishing and the scenic beauties of the Flambeau river.

...After representatives of the conservation commission had testified, the Capital Times challenged them to show where dams by the big private utility interests like the Lake Superior District Power Co., The Northern States Power Co., or the Byllesby, Insull or North American empires has been opposed by the commission. The commission gave vague answers...

...Atty. Glen H. Bell, of Madison, has represented the Lake Superior Power Co., at this hearing. Bell is a member of the firm of Aberg, Bell, Blake and Conrad which is the successor to the firm..which for years represented utility interests. The Aberg in Mr. Bell's firm is William J. P. Aberg, who is also a member of the Wisconsin conservation commission. True, Mr. Aberg, now says that he did not take a part in the vote by which the commission decided to oppose the Dairyland Co-op application. But surely both Mr. Aberg and Mr. Bell must feel that there is an ethical consideration involved.

I want to know why the members of the conservation commission staff and M. W. Torkelson of the state planning board, too, only become concerned about preserving scenic beauty when a farmer's organization or a co-op seeks a permit that is opposed by a big private utility...I don't believe the state conservation commission is overly concerned with the preservation of scenic beauty.

HERB MITTELSDORF EXPOSES SPORTSMEN'S OPPOSITION TO REA DAMS, Editorial, Capital Times, March 10---In an adjoining column today the Capital Times prints a letter from Herb A Mittelsdorf, of Osceola, Wisconsin. We urge you to read this letter carefully and thoroughly, for it sheds some significant light on the manner in which sportsmen are being marshalled to fight the program of REA co-ops to bring electric power to Wisconsin's farmers.

Mr. Mittelsdorf has shown how the voice of the Polk County Sportsmen's club was registered against the proposal to build an REA hydro-electric dam on the Flambeau river. Speaking as a member... Mittelsdorf charges that Dr. Jacob Riegel, of St. Croix Falls, president of the club, registered the club against the REA dam without holding a meeting...and obtaining the membership's approval.

Dr. Riegel, whom Governor Goodland has just appointed to the state conservation commission, is known as close personal friend of utility officials in northern Wisconsin. We wonder, in view of Mr. Mittelsdorf's letter, if Dr. Riegel was impelled to his objection to the REA dam solely out of his considerations of scenic beauty....

POWER ISSUES AGAIN FOUGHT, Portland Oregonian, Salem, March 3---Issues of public versus state power were aired again...before the house utilities committee as it heard both sides of bills to require new utility services to get certificates of convenience and necessity and to restrict the times when public utility district elections may be held...

Proponents of the bills said they were necessary for sound and efficient operation of all utilities and would save money for the taxpayers. Opponents claimed they would be "an actual repeal of the public power movement in Oregon"....

WOULD ALLOW WITHDRAWAL FROM REA COOPERATIVES, Charleston, S. C., News and Courier; Washington, March 11--A bill to permit individuals to withdraw from contracts with rural electrification cooperatives after a year if the contracts are not substantially fulfilled by the cooperatives was introduced in the house today by Rep. McMillan.

The bill would prohibit the federal government making loans to cooperatives unless they included in their contracts with individuals a clause permitting such withdrawals....

ELECTRICITY FOR ALL PREDICTED AT REA MEETING IN COLUMBIA, Columbia, S. C., March 7---Voicing enthusiasm for the future development of the rural electrification administration in South Carolina, officials at the quarterly meeting of REA managers...predicted yesterday that because of an improving supply of materials, every family in South Carolina that wants electricity will be able to get it during the next five years....

WICKARD ASSAILS CO-OP TAX PLAN, St. Paul Dispatch, March 3---Plans to apply corporation taxes to rural electric cooperatives will meet stiff resistance from farmers.

This was the prediction in St. Paul today by Claude R. Wickard, REA Administrator. Wickard will be the chief speaker today at a statewide meeting of representatives of about 50 Minnesota electric co-ops.

The National Tax Equality association will have a hard time applying corporation income taxes to the electric co-ops, Wickard said. But if the NTEA should succeed in such an attempt, that success would make it tough for the co-ops that are trying to serve farmers with electricity, he added....

To apply the corporation profits tax to the rural electric co-ops would be most unfair. It would delay and in injure the farmers' efforts to electrify their farms and their homes, and that way to increase their productivity and standards of living, Wickard said.

ELECTRICITY FOR ALL HELD ESSENTIAL, Minneapolis Star, March 3-----

Electrification of rural areas is an economic necessity, C. R. Wickard, REA Administrator, told members of the Minnesota electric cooperatives...

"We cannot have an American standard of living in rural homes without electricity," Wickard said.

Wickard declared farmers must maintain their bargaining power for cheap electricity through the authority of the REA to provide loans for generating facilities. "It is understandable," he said, "why some commercial power interests are trying to deprive the REA of authority to make such loans. Every REA consumer is...in an insecure position if REA cannot continue to make generating and transmission loans wherever there is real need."

SPECIAL TAX FAVOR IN REA MEASURE, Editorial, Argus-Leader, Sioux Falls, S. D., March 4---Rep. Hardy Carlson, editor of the Volin Advance, has been delving into the possible ramifications of the REA bill approved by the Legislature. He describes one note-worthy feature of the bill in the following comment...:

"The REA bill has passed both houses...One Objection to REA taxation could not be changed. This objection is that the REA is taxed only two percent on its gross earnings in each town or township in lieu of personal property taxes, this tax going to the school districts. The writer made an investigation as to how this tax compares with the taxes which were paid by the Interstate Power Co., in the towns of Volin and Gayville, now served by the REA...The tax which the REA will pay in these towns will be less than half that formerly paid by the power company."

One wonders why the REA shouldn't be taxed as are other businesses and other public utilities. One wonders also why the legislature should extend to the cooperatives this special inducement to do business in South Dakota. Does this mean the legislature has a socialistic inclination? Does it suggest that it is eager to place stumbling blocks in the way of private enterprise?

...The real explanation lies in the fact that the REA bill was adopted with little study and less debate....

ELMER THOMAS PLANS BILL ON ELECTRIC POWER SALE, New York Herald Tribune, Washington, March 2---Senator Elmer Thomas said today he is preparing a bill to declare government policy on development and distribution of electrical energy. It would provide for development of hyro-electricity as incidental to Federal conservation projects, with sale of excess power on a priority basis. Rural cooperatives would be first on this list...

The bill would give the Federal Power Commission central control over the government-developed power.....

FARM LIFE IS CATCHING UP, Editorial, Journal Gazette, Ft. Wayne, Indiana, November 30, 1946---White the world has been busy with international affairs, a new era has been establishing itself in the rural areas of the United States. The availability of electricity is mainly responsible for the advancement of American farm life.

...Farms still lag far behind the city in comforts. According to figures of the National Grange Monthly 5,176,000 farm homes still lack modern bathroom facilities, contrasted to the million and a quarter farm homes which have them. As the REA and private utilities progress in their expansion programs this situation will be remedied.

Electricity, like modern machinery, will make farm life more attractive to youth and assure a strong rural economy which is the backbone of our nation.

PUBLIC POWER BID, New York Times, March 13---Nine private power companies have offered to save the federal government \$10,000,000 by assuming all the transmission facilities of the Southwestern Power Administration, The SWPA, which has planned to expend \$202,000,000 for construction of a power system described as larger than that of the TVA, could "stop where is it" (\$800,000 has been spent on the project) and private utilities would serve the area through sale of power from present federal transmission facilities thus averting further construction....

Senator Moore (Okla.) recently advised the House subcommittee on appropriations that the SWPA could be sold "without loss, cost or expense to the public treasury". The subcommittee is known to be sympathetic to curtailing further appropriations for construction of the project.

SPREAD OF RURAL ELECTRICITY URGED, Tennessean, Nashville, Tenn. March 9---Thousands of Tennessee farmers eager for TVA electric power now are being discriminated against by rural electric cooperatives and municipalities, it was charged...by a house committee...

The committee...charged that failure..to extend service to rural areas is most acute in the reservoir area behind Kentucky Dam.

"The benefits of rural electrification should be spread as uniformly as possible..and should not be concentrated..in the more prosperous areas nearer the larger towns," the committee said.

The committee...also recommended:

1. That rural electric cooperatives permit applicants for power to become members with the power to vote.

2. That cooperatives and municipalities consider their obligation to serve rural areas in planning expansions.



PRESS

DIGEST

Vol. IV, No. 29

April 10, 1947

A summary of press items pertaining to REA

REA PASSES \$1 BILLION MARK IN LOAN PROGRAM, Wall St. Journal, March 19-----
The nation's farms last night figuratively lighted up in a federally sponsored billion dollar blaze of glory.

The occasion: Yesterday the REA passed the billion dollar mark in its lending program to electrify rural America. The honor of borrowing the billionth dollar, plus enough more to bring REA loans to \$1,000,068,389, went to the Monroe County Electric Cooperative at Waterloo, Illinois. This organization's loan of \$145,000 pushed the grand total of federal lending over the top.

Since the government embarked on its effort...nearly 12 years ago, the REA has made loans to 1,011 borrowers. Of these 931 were power cooperatives, 40 were public power districts, 20 were other public bodies and 20 loans were made to privately owned power companies.....

Up to January 1, 1947, borrowers had paid REA \$126 million in interest and principal, including about \$20 million in advance payments on principal. Only \$892,941 was more than 30 days overdue..., and only one foreclosure has been necessary. This was a small power company in North Carolina.

The largest part of the money loaned out by REA goes for building electrical distribution systems.

(Similar articles in many other newspapers.)

BACKGROUND OF REA IN IOWA, Des Moines, Register, March 18---The Iowa house tax revision committee has recommended a bill to tax REA cooperatives on their lines and other property. The bill provides that lines would be assessed at 10 per cent of actual value in 1947, 20 per cent next year, 30 per cent in 1949, 40 per cent in 1950, 50 per cent in 1951 and 60 per cent in 1952 and thereafter. Thus at the end of five years the co-ops would be paying the same rate as privately-owned public utilities....

If the tax revision committee's bill should be passed, some of Iowa's rural electrification cooperatives probably would fail, particularly the newer organizations which have had to bear extremely high construction costs....

The average levy in the area of one new southern Iowa cooperative is 63 mills. This association's lines cost about \$1,255 per mile. Taking 30 per cent off the original costs leaves a valuation of \$857.50. Assessment of 60 per cent of this at 62 mills would mean a tax load of \$32.41 per mile. Other cooperatives in southern Iowa had net incomes of only 25 to 32 dollars per mile.....

One northern Iowa cooperative, whose lines cost about \$1,000 per mile, would have to pay only \$11.70 per mile in taxes...Its income last year averaged \$47 per mile. By cutting down on its rate of debt repayment, it could stand the increased cost of taxes.

With farm income now at a record high level, a large proportion of Iowa's rural electric cooperatives doubtless could stand its proposed tax. But if farm income dropped sharply, all but the oldest and strongest might be in trouble....

Today, partly because of improved economic conditions, but largely through the efforts of REA, about 140,000 Iowa farmers have access to electricity. Most of the 65,000 farmers still without it are in southern Iowa. The new tax bill would make costs so high in this area as to greatly slow up the electrification.....

MASON REVEALS PLAN TO REVAMP ALL U. S. TAXES, Chicago Tribune, March 19----
Congress plans to overhaul the whole federal tax system next year to remove unfair provisions of the present laws, Rep. Mason (R. Ill.), a member of the house ways and means committee, reported....

Rep. Mason said properties worth 20 billion dollars, now tax free, could be made to yield almost $1\frac{1}{2}$ billion dollars in tax revenue by removing the exemptions from municipal utilities, farm and consumer cooperatives, mutual insurance companies, the Tennessee Valley Authority, rural electrification administration, and the surplus funds of labor unions..

NEW INDUSTRIES STARTED BECAUSE OF REA POWER, St. Louis Post-Dispatch, March 25--
Nine alfalfa meal mills, a commercial dairy, a venetian blind factory and 18 large dairy farms are operating in this area because electric power was available along lines of the Scott-New Madrid-Mississippi Electric Cooperative, H. M. Zaricor, manager, reports....

Consumers served by the REA-financed co-op include: 1964 farms, 18 large dairy farms, 494 rural non-farm residences, 490 village residences, 84 village commercial consumers, 195 schools, churches, town halls and such users; 91 cotton gins, nine alfalfa meal mills, four garages, three

blacksmith shops, two commercial chicken hatcheries, two bakeries, two crude oil pumping plants, two cucumber pickling plants, two farm machinery sales and service stations, a commercial feed mill, garment factory, city street lighting system, city water pumping station, railroad signal station, motion picture theater, venetian blind manufacturing plant, commercial dairy, airfield, airways beacon and peach grading and defuzzing plant.

ASSERTS UTILITIES FIGHT REA IN MISSOURI, Little Rock, Arkansas Gazette, Jefferson City, March 13---William R. Kavanaugh, of Tulsa, Oklahoma, industrial manager of the Southwestern Power Administration, told delegates representing 40 Missouri Rural Electrification cooperatives today "public service companies are trying to crucify REA. They do not want us to do business with new industry coming into Missouri."

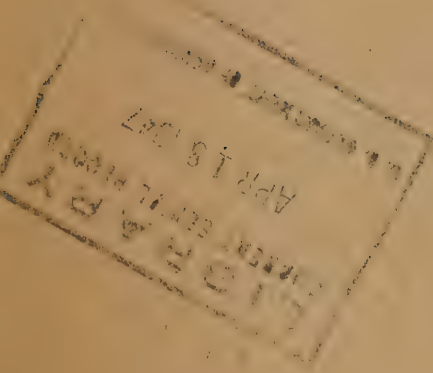
He said a representative of one private utility told people in "southeastern Missouri we don't intend to construct any lines down there. That's not true. We are going to build lines from Norfork Dam, Ark., to West Plains, Missouri, at a cost of \$300,000."

FINISHING THE JOB, Lima, Ohio, News, March 18, (editorial)---The magnitude of the job done by the American electric industry in electrifying farms--and its plans for the intensified expansion in the immediate future---deserve national recognition. And it should be realized that this job has been and is being done by private, tax paying enterprise--not by government bureaus subsidized by the taxpayers.

In the Northeastern part of the country...farm electrification is close to completion...and many more have power readily available if desired. As one authority put it, this achievement was made by the private utility companies of New York, New Jersey and New England "without fanfare or benefit of REA."

On the Pacific Coast, and in Idaho and Utah, 81 per cent of the farms use electric power. Now the industry is out to finish the job. It has set up a budget of about \$300,000,000 for that purpose. By the end of next year, if plans mature as expected, all but the most isolated American farms will either be using power, or will have power near at hand. And in the future, as in the past, the industry is going ahead whether or not REA cooperates.

There is no greater boon to the farmer than low-cost, dependable electric service. Private enterprise, using private funds, is seeing that he gets it---and is creating vast new taxable assets for government in the process.



REA PRESS DIGEST

Reserve

1933

R222

April 28, 1947

A summary of press items pertaining to REA

SCOLNS LISTED FOR REA MEET, Spokane, Washington, Spokesman-Review, March 30--
United States Senators Warren G. Magnuson (Wash.) and Milton R. Young (N.D.)
and Rep. Walt Horan (Wash.) will address the National Rural Electric
Cooperative Association's fifth annual convention April 22-25 at the
Masonic Temple here. Rep. W. R. Poage (Tex.) will conduct convention
open forum sessions.

Other speakers...include Dr. Leo Szilard, a director of the emergency
committee of atomic scientists, REA Administrator Claude R. Wickard,
Deputy REA Administrator W. J. Neal, Bonneville Power Administrator
Paul Raver and Arthur E. Goldschmidt, Director of the Division of Power,
Department of the Interior.

Reports from all sections of the country indicate the Spokane
convention will draw an attendance of close to 2,500--a record-breaking
number...Three transcontinental lines...will operate trains out of
Chicago. The Burlington lines will run a train out of Dallas, and the
Rock Island will have a special train leaving Oklahoma City, with special
cars attached to carry Arkansas delegates.

REA "LIGHTING" STRIKES RURAL TEXAS (by G. W. Haggard, Manager, Texas Power
Reserve Electric Cooperative, Inc.) April Progressive Farmer (Texas
edition)--Eleven years ago in 1936, only 12,000 farms and ranches in
the entire state--less than three per cent--had central station service...
The other 97 per cent of Texas farmers and ranchers were still being
forced to exist in the dark...Then came the national rural electrification
administration program. The first line was built near Bartlett in
Bell County early in 1936...From that point on, cooperative rural
electrification has progressed steadily in Texas. Now Texas leads the
entire nation in this program. Today, more than 140,000 consumers
receive electric power from 74 rural electric cooperatives.

More than 50,000 miles of rural power line has been strung up and
down the highways of Texas. Co-op lines now extend into 220 of the 254
counties of the state. Over 43 per cent of the rural homes in Texas are
electrified today.

Texas cooperatives have been seriously handicapped by (material)
shortages. But they are now adding rural consumers at the rate of
approximately 2,500 per month. There are still some 225,000 farms and
ranches in the State that do not have electricity. The co-ops hope to
serve around 150,000 of these within the next three to five years....

The average rural electric cooperative in Texas serves 1,500 to 3,000 member-families living in an area of three to five counties... 79-78

Texas farmers use electric power to milk their cows, light poultry roosts...Ten years ago, lack of power to operate milking machines made large scale milk production impractical on most Texas farms. Today, Texas electric co-ops serve more than 3,000 farm dairies...It is estimated that many thousand more small-scale commercial milk producers are on REA lines. Texas rural electric co-ops also serve thousands of poultry farms and hatcheries that were not in existence 10 years ago. A large scale turkey-raiser in San Saba county estimates that electric lights on his turkey roosts are worth \$10,000 a year in increased egg production.

In many sections of the state, electric power is...used in irrigation. Rural electrification has brought many rural industries to Texas. The co-ops have brought the benefits of electric lights...to thousands of rural schools and churches in Texas...The rural electrification program has been a great boon to business. It has brought much business to firms dealing in line materials and electric appliances.

Co-ops try at all times to find ways to supply power to their members at lower costs. Eighteen distribution co-ops in the Brazos River watershed formed a transmission cooperative several years ago. They are now building high voltage transmission lines to bring the power generated at Morris Sheppard dam to their systems.

East Texas cooperatives have underway a project to make available to their rural consumers the low cost power generated at the Denison Dam on the Red River. Several other generating and transmission cooperatives are being organized over the state. Savings made through lower costs for power will be passed on to rural consumers.

BILL ATTACKS CHEAP PUBLIC POWER, San Francisco News, Washington story by Ruth Finney--A bill to put an end by law to cheap public power and to give any private utility company a right to contest any public power rate which affects it has been laid before Congress by Senator Elmer Thomas (D. Oklahoma.)

The bill...is similar to one which utility company representatives have been peddling around Washington for some time. Sen. Thomas explicitly told the Senate, however, that the bill was prepared by the Senate legislative counsel from notes submitted by himself.

The bill provides that all power generated at government dams, with the single exception of TVA, be turned over to the Federal Power Commission. This commission would dispose of the surplus power under conditions.. which would eliminate the possibility of cheap rates. The bill provides that rates be based on the value of the project, use of project power and a surplus for amortization of part of the irrigation phases of any project, in addition to amortization of the power phase.

For the first time in any law, this section calls for rates that would "provide a return above operating maintenance and replacement costs". Interest must be paid but the bill does not fix the rate.

STATE DELEGATES SIGN LETTER, NOW WISH THEY HADN'T, (ala.) News-Age-Herald, Washington story, The Alabama congressional delegation has been upset and divided this week over a letter they all signed but did not all mean to sign.

The trouble started when Rep. Sam Hobbs of the Fourth District circulated a petition asking Claude R. Wickard, REA administrator, to go ahead with plans to build a \$5,000,000 steam plant near Andalusia. It seemed that the delegation was unanimously in favor of the REA steam plant at one time. At least they all signed the letter...

Then some of them realized what they had signed and tried to get their names off in a hurry. But Wickard would not return the letter to Hobbs, and so it still rests in his files. Also in his files is a telegram from Rep. Frank Boykin of the First District saying that there is plenty of power available and that to construct the steam plant would be "a waste of federal funds."..

NEW ZEALAND PROGRESS, Louisville, Kentucky Times, Editorial, March 22---How far the United States has yet to go in electrifying farms is exposed by Col. G. R. Powles, secretary of the New Zealand legation at Washington. Addressing the Executives Club, he says only seven per cent of the farms in his country lack electricity, while only half of all United States farms are supplied..

New Zealand is to be congratulated. Yet, while nothing excuses a laggard American start on rural electrification, the comparison is between a very big country and a very small one. New Zealand's problem was comparatively simple. There are states in the Union larger than New Zealand, possibly areas its size as well electrified...

FARM ELECTRICITY, Lexington (ky.) Herald, Editorial, March 27---Great Britain is undertaking a 5-year plan that will entail a cost of approximately \$180,000,000 to electrify 15,000 farms the first year; 37,000 the second and so on until the job is completed.

Farmers will put up the money for wiring, fitting and apparatus. Private companies will furnish the power and the agricultural industry will provide general wiring and equipment...A nation-wide connection systems, known as "The Grid", is to become the supply channel for all homes using current.

RURAL ELECTRIC GOAL AIMS HIGH, Oklahoma City Oklahoman, March 20---Electricity for every farmhouse in Oklahoma by 1950 was set as a goal...by the state's rural electrification association cooperatives.

Earl Harrison, statewide manager of REA, said the group's 23 cooperatives are now servicing 45,000 farm families. The group now has a waiting list of about 50,000 farm families, he reported.

Harrison said the REA hopes to reach every farmer in Oklahoma within the next three years. The main obstacle is lack of equipment and materials. Oklahoma's 23 cooperatives and two more, which are organized but have not been electrified, are capable of providing the power needed for complete rural electrification....

THE DAY IN INDIANA (column by Maurice Early), Indianapolis Star, March 28---
Hoosier farmers are celebrating the 12th anniversary of the electric revolution. It was just 12 years ago that first pole was set at Lebanon, marking the start of the rural electrification campaign in the nation.

Back in those days, Hugh Abbett, manager of the Indiana statewide Rural Electric Cooperative, Inc., says, it was not dreamed that Hoosier farmers would become such large users of electricity. Although the program was slowed down by wartime shortages, electricity has been wired to 87,000 Indiana farmsteads, 9,500 of them during 1946.

It is estimated that 25,000 more farms will have to be wired before the program of the cooperative is complete. When the program was initiated, the planners made an estimate of the amount of electricity each farm would use. Experience in some of the cooperative ventures shows that consumption is three times the original estimate.

Mr. Abbett believes that there will be a constant increase in rural consumption as more farms are equipped with deep freezers, electric stoves, water heaters, pumps for newly installed running water systems in the house and the various machinery on the farm.

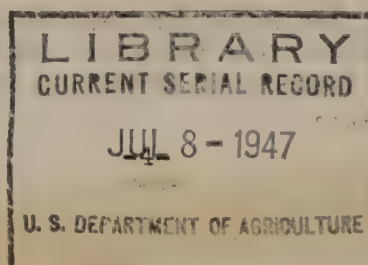
RETENTION OF BUYING POWER BY FARMERS TERMED ESSENTIAL, Richmond, Virginia, Times-Dispatch, March 26--"A complete collapse...can only be averted by keeping money and buying power--prosperity--in the hands of the farmers and small-town people," Dr. Paul D. Sanders, of Richmond, editor of the Southern Planter, declared...at a meeting here of electric wholesalers and distributors.

Business generating by "this grass-roots trading" is the "very life blood of the national economy", he said, and "electrification, mechanization and modernization of rural America is a backlog of business activity big enough to keep the economic machinery running full blast for years to come."

The day-long session...was called to consider the scope of the rural market, emphasize requirements for selling and servicing electrical equipment and to make plans for effective dealer cooperation in the state farm electrification program....

There is a \$17,381,939 "dealer rural sales opportunity" for electrical equipment in Virginia, A. E. Lemons, of the Appalachian Electric Power Company said.....

Charles G. Pyle, managing director of the National Electrical Wholesaler's Association, termed the rural electrification door as "colossal." "Behing that door", he said, "will soon be 4,000,000 electrified farms. Through it should go approximately 200 electrical products, all of which could be used on almost any one of the 4,000,000 farms".



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REA PRESS DIGEST

May 14, 1947

TRUMAN ASKS ELECTRICITY FOR ALL RURAL RESIDENTS, Herald Tribune (New York City) AP Dispatch from Spokane, Washington, April 23--- President Truman told the National Rural Electric Cooperative Association today that it cannot consider its job done "as long as this country has rural people still living and working without the benefit of electricity."

In a message read at the association's fifth annual convention, Mr. Truman said, "I have confidence in the ability of rural people to work cooperatively toward the goal of complete electrification and I want to assure you of my support and best wishes for success in this endeavor."

He said it would take "purpose of mind as well as ingenuity to push out beyond the densely settled areas" and provide electricity for all rural residents.

"There will be those who say it can not be done or should not be done, as they have in the past," he declared. "What you can do for the development of rural America in terms of a more stable income, better living and the creation of new wealth constitutes great potential contribution to the national well-being."

PROPOSED SALE OF REA IN PLUMAS AND SIERRA COUNTIES IS DISPUTED, Reno, (Nev.) Gazette, April 17---Membership factions favoring and opposing the sale to private power companies of the REA project in Plumas and Sierra counties of California are lining up for a fight on the issue which involves the existence of the cooperative power project, it was learned here today.

One group of the membership, under the leadership of Alfred R. Lowey, of Downieville, proposed that the cooperative be handed over to either Sierra Pacific Power company or the Pacific Gas and Electric company... Fighting the campaign to end the cooperative's existence is another faction of the membership led by Louis DeArmond, manager of the cooperative.

Mr. DeArmond charges that those favoring transfer of the cooperative to private interests are under pressure from the neighboring power companies and are spreading misinformation about cooperative system designated to arouse a sympathy to a sale....

Among Mr. Lowey's contentions...is the assertion that it cannot adequately serve industrial users and is thus blocking industrial development in the area. He alleges that the cooperative also is handicapped by the lack of generating facilities and the necessity to buy power in the open market.

ARK-LA SOLD TO PRIVATE UTILITIES, Arkansas Gazette (Little Rock) April 18---
Sale of the 197 mile, 154,000 volt electric transmission line from
Markham's Ferry, Oklahoma, to Lake Catherine, near Hot Springs, by the
Ark-La Electric Cooperative to three private power companies for
\$3,800,000 cash was announced.

Purchasers were the Arkansas Power and Light Company, Southwestern
Gas and Electric Company and Oklahoma Gas and Electric Company, all of
which opposed Ark-La's proposal to construct the circuit in 1941-42...
Completion of the sale...awaits only formal approval of state and
federal regulatory agencies.

Ark-La, a Louisiana corporation of 10 Arkansas and Louisiana rural
electric cooperatives, constructed the line in 1942 for \$4,072,943
obtained from REA...Much of the line is now idle...Thomas Fitzhugh,
general counsel for Ark-La, said Ark-La would not go out of existence
after disposal of the line. He would not discuss its future operations.

ARE DOOR PRIZES "SUBBING" FOR DEMOCRACY, The Farm News of Orange County
(Indiana), April issue---At the annual meeting of a certain rural
electric membership corporation, an electric washing machine and other
valuable articles were given away as door prizes.

To get farmers out to business meetings...is it necessary to give
them prizes? This action indicates a lack of faith on the part of
management in the people who are members and owners of the enterprise.
The management apparently feared that the members would not turn out
unless they were offered a bribe, or at least a "chance" on a bribe.

...We believe that they-Indiana farmers--are intensely interested
in the welfare of their own economic enterprise...After all the basic
idea of a cooperative is that the farmers are both willing and able to
run their own businesses...supplying themselves with goods and services,
including electric service.

Is it necessary, then, to offer them prizes to get them to attend
the annual business meetings of these enterprises?

If it is, one suspects that the management...is not taking the
farmer-members fully into its confidence. In short, one suspects that
the annual meeting is not being devoted to a frank discussion of the
past year's operations and policies for the future, but rather is an
affair where the members listen to speechmaking, eat lots of turkey and
go home with a door prize under the arm.

Cooperation involves responsibility. It involves action, not just
listening. In organizations where the members rubber-stamp the actions
of the board, soon the board becomes a rubber stamp to the manager and
from there on out, you have a one-man organization.

Eternal vigilance is a lot of bother---but it's the price of
liberty. Door prizes are a poor substitute for democracy.

COMPLAINTS OF LONG WAITS FOR REA POWER FROM OZARK AREA, The Weekly Kansas City Star, Ponce De Leon, Missouri, April 16---Along many of the highways...of the Ozark hills, strings of tall, slender poles carry the wires of electric cooperatives organized under the REA and private power companies...

Wherever REA lines have gone they have been a boon to rural living but the Weekly Star has received numerous complaints...about failure of the power lines to be built...This little village of 75 persons... is one of the places that have been missed by the modern advantages of electricity. Here, in an area served by the White River Valley cooperative, people are wondering when the electric lines will reach their homes.

For eight years, 17 families in Ponce De Leon and farmers in the surrounding area have been waiting patiently...for the electricity to come. Mrs. P. S. Clines, who with her husband, operates a grocery store.. said that numerous persons in the community signed up with the cooperative and made a deposit of \$5 in 1938 in hopes of getting electricity.

Now electricity furnished by the White River Valley organization is in use on three sides of the village. At one point the lines are only three-fourths of a mile away. On another side it is a mile to the electric line. On the third side it is three miles to where electricity is in use.

Mrs. Clines said residents of the community were told that it was the most thickly populated section of Stine County served by...the cooperative that did not have electricity...."In the summer of 1941 surveyors for the co-op worked in the community," Mrs. Clines said...

In a farm home at the edge of the village, Mr. and Mrs. P. S. Gibson believed back in 1941, that they would have electricity energy in their home. As a result they purchased more than \$500 worth of electrical appliances...

"During the war...we showed the co-op that we had the animal units in our community necessary for the construction of the REA lines," Mrs. Clines said...She said that the line that comes within three-fourths of a mile...turned when it reached the nearest point and was built a mile and a half further and serves but three families.

To get the other side of the picture the writer went to Arch Maiden, assistant cashier of the Security Bank of Branson, president of the co-op's board of directors...Maiden went to the defense of the co-op.

"Many of our complaints come from persons who did not want electricity when the lines..were being projected...In some cases farmers even refused to give easements." Material and labor shortages make it difficult for the organization to carry out its policy of taking care of prospective customers...

In such a situation (the writer continues) one hears rumors of favoritism on the part of the cooperative...REA cooperatives have been accused of extending lines quickly in order to cut across ahead of a public utility company line in order to grab the territory before the public utility could extend its lines into the territory...

UTILITY COMPANIES PLAN, Manchester (N.H.) Union, April 3---Stepped-up activity in rural electrification extensions and service to farmers by power companies all through New England, in an attempt to keep pace with the stepped-up interest of farmers in all things electrical, is the prediction of Francis L. Rimbach, of Worcester, Mass., director of rural development for the New England Power Service company and chairman of the Farm Electric Service committee of the New England council.

The council committee..has been staging the eighth annual..rural electrification conference which ended here tonight.

Chairman Rimbach predicted that utility companies in the New England area will go all out this summer and fall so far as line equipment is available, in an attempt to provide light, power and service to all farmers whose places can be reached within reasonable costs....

The New England chairman advises all farmers without electricity who want it and can use it profitably, to make known their wishes so they can be given attention. Any New England farm group or farmer is invited to write him...at his Worcester office...and his case will be called to the attention of the utility serving his area....

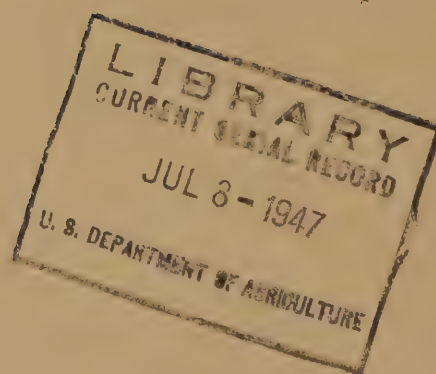
WHAT'S SO WRONG ABOUT THIS, editorial, Des Moines (Iowa) Register, April 10--
In a letter...a reader of The Register viewed with a great deal of suspicion the new contract between the Central Iowa Power REA Cooperative and the Iowa Electric Light and Power Co. This contract provides that the power company shall operate a new REA power plant for a period of 35 years. This, said the letter, "is the first effective effort made by the private (monopoly) power trust to get their finger into the farmers' electric cooperatives."

It is true that many of the private power companies fought REA... It is also true that the private companies largely neglected farmer business because it wasn't profitable...But does it follow that the REA co-ops should refuse an advantageous contract, just because it happens to be with a private utility? As a matter of fact, most of the REA co-ops already buy their power from private utilities, so there's nothing new about dealing with them. If it is to the advantage of the co-ops to buy power or to hire the operation of their own plant by a private utility, why shouldn't they?

...The new contract of the REA co-ops with the Iowa Electric Light and Power Company will apparently save the co-ops a lot of money in building lines. It also will help the power company...The more such mutually profitable working agreements between farmer cooperatives and private utilities the better, we say.

GAME BODY DROPS FIGHT ON REA DAM, Madison Wisconsin State Journal, April 9---
Wisconsin electric cooperatives won a preliminary victory Tuesday as
the state conservation commission withdrew its opposition to a \$3,100,000
REA hydroelectric dam at Ladysmith....

The conservation commission by a 2 to 2 vote reversed the stand
on the Flambeau river project.....



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REA PRESS DIGEST

June 20, 1947

38 LOBBYISTS GET 4 MILLION A YEAR, Washington Post, May 14---The business of lobbying for national legislation of one sort or another has moved into the ranks of multi-million-dollar-a-year industries.

The statistics show that at least 738 individuals are working at the lobbying trade...The 738 rake in a total minimum of four million dollars a year....

With the list of 321 new registrants, there was also published quarterly reports showing what those who reported in the way of income for the previous quarter. From the series of reports, some of the outstanding highlights were obtained. They are:

Possible No. 1 Man--Purcell L. Smith, president of the National Association of Electric Companies, Washington, D. C. He received \$16,200 for the first quarter or at the rate of \$65,000 a year. He also received \$687.87 in reimbursement of expenses. "On the basis of the activities of the association to date," Mr. Smith said, "I estimate that not over 25 per cent of my time is spent on legislative matters..."

A runner-up--Stephen M. Walter, Washington. He reported receiving \$25,000 a year from the National Association of Electric Companies and \$26,000 additional from 13 individual power and light companies...

(Copyright by New York Tribune, Inc.)

T. E. CRADDOCK IS CHOICE OF GATHERING, Spokane Spokesman-Review, April 23----
"Rural Electrification has brought vast changes in the living standards of rural America and we expect to extend its benefits throughout the country during the coming year," said T. E. Craddock, of Seymour, Texas, upon his election last evening as president of the National Rural Electric Cooperative Association.

Mr. Craddock, who is city manager of his home town and also manager of the B-K Electric cooperative, was the unanimous selection of the NRECA board...Mr. Craddock will succeed J. C. Nichols, of Wyoming. Other officers chosen are Ben Jasper of Steamboat Rocks, Iowa, vice-president and Avery C. Moore, re-elected secretary-treasurer. Clyde T. Ellis... is executive manager.....

"We hope to bring electricity to all the farms of America not now being served at a price that farmers can afford to pay for the service," Mr. Craddock said. "We sincerely hope that Congress will not cut the

funds now in the president's budget for rural electrification, for this money is merely a loan to co-ops...to be used for the generation and distribution of power.

"We need more electric power all over the nation to help satisfy the demands by rural people..."

CURB ON REA LENDING RAPPED, Seattle (Washington) Times, Spokane, April 24 (AP)-- The 2,000 delegates to the annual convention of the National Rural Electric Cooperative Association today adopted a resolution opposing a House measure which would prohibit the loaning of REA funds for the financing of generating units.

The association...contended that areas of considerable size exist in the nation where it is impossible to buy electricity from any source,

The group also opposed another measure in the House which would "require the RFC to sell notes and mortgages of the REA borrowers in the open market." It contended that "to do so would destroy the REA program's spirit and future and would make the cooperatives and rural public-power districts subservient to the will of vested, private interest."

WICKARD SAYS FARMS MUST HAVE ADEQUATE LOW COST POWER, Spokane Spokesman-Review, April 24--An audience of approximately 1,200 heard Claude R. Wickard, Indiana farmer and REA administrator, exhort them to assume the offensive, rather than be put on the defensive, in a militant talk... where he addressed the third general session of the NRECA.

"It is imperative that power be available to rural people in sufficient quantities to meet their needs and also at a price that enables them to make full productive use of electric energy," Mr. Wickard said... "I believe it is of vital importance to the rural people of this nation that they shall not be deprived of their right to generate their own electricity...Amazing as it seems, interests opposed to our program are trying to restrict this basic right."

Mr. Wickard declared he was aware of the fact that certain interests are trying to create mistrust and friction between REA and its borrowers. "I can assure you that my decisions relative to the relationship between REA and the co-ops are based on the belief that the final responsibility for the REA program rests with the cooperatives..."

Retiring president J. C. Nichols (announced) that 1,838 delegates had registered from 40 states, Alaska and British Columbia...

SENATOR DEFENDS FREE ENTERPRISE, Spokane (Washington) Spokesman-Review, April 25-- Defending the use of private power facilities wherever possible, U. S. Senator Milton R. Young (R., N.D.) vigorously defended the system of free enterprise at the final session of the National Rural Electric Cooperative Association.

"I am one of those who believes strongly in our free enterprise system," said...the senator...."If private power can furnish you current as cheaply as you can generate it yourself, I think you would be doing an

injustice to private enterprise, and even to your own cause, by constructing power plants with borrowed government money."

Senator Young preceded Dr. Paul J. Raver, Bonneville administrator... Dr. Raver stressed the importance of low-cost hydroelectric power in providing new sources of tax revenues...

Contending that one of the attacks on the REA program centered on the authority in the law which permits the REA to finance generating plants where necessary, Senator Young admitted that without such right the REA would have absolutely no bargaining power with private power companies and would be completely at their mercy.

"I hope that no REA cooperative will abuse the privilege that it has in constructing power plants," he pleaded. "Wherever low-cost electricity is available through existing power concerns, REA should...purchase it through these sources."

SCHERMERHORN HEADS ELECTRIC CO-OP EDITORS, Madison (Wisconsin) Capital Times, April 27---Harvey Schermerhorn, Madison, editor of the Wisconsin REA News, was elected president of the newly organized National Rural Electric Co-op Editors Association. The association was formed at the convention of the National Rural Electric Co-op.

POWER POLICIES BEING REVAMPED, New York Times, April 27---Climaxing a series of recent developments indicating a Congressional shift away from the Government's pro-public power policy, the House of Representatives approved by a voice vote...a \$13,372,000 cut in appropriations for the Bonneville Power Administration.....

This action followed closely the introduction in the Senate of a bill by Senator Elmer Thomas of Oklahoma which would place a curb on all public power.....

While the public utility companies are watching these developments, few executives were found who would express any optimism on the long-term effect of these events. One reason for their reluctance to discuss the situation is.....they fear reprisals in the form of application of laws governing the utility industry by various Federal agencies.

Furthermore, efforts are being made by utility men to inform the Congressmen of their troubles attending company operations in areas where Government competition flourished, but because they do not want their efforts publicized, most of the utility men forego the practice of visiting Washington and relate their troubles in parlor chats in their home towns.

One utility man said...that this idea is now bearing fruit...

Utility industry witnesses who appeared...before a subcommittee of the House Appropriations Committee, which is hearing testimony on appropriations for REA, said evidence was presented which "clearly showed that the REA still has sufficient funds left over from its 1946 appropriations to extend lines to half of the 1,250,000 farms which can be reached practicably this year."

Other witnesses including W. W. Lynch, vice-president of the Texas Power and Light Company, and T. W. Crockett, vice-president of the Mississippi Power and Light Company, presented maps and other data purporting to show that the REA plans to construct duplicate facilities in the territories served by both companies.

While no large-scale campaigns have been started by advocates of public power to offset these developments, the history of the relations between public and private power during the past 15 years warrants the assumption that they are inevitable. Claude R. Wickard, REA administrator, said at the convention of the National Rural Electric Cooperative Association in Spokane, Washington, that he was "aware...that there are certain interests who are trying to create mistrust and friction between the REA and its borrowers."

MORE TAXES FOR YOU (part of full page advertisement) Willmar (Minnesota) Daily Tribune, April 14---1,500 corporations doing a \$600,000,000 annual business in Minnesota pay little or no state or federal income taxes.

Why? Ask your Legislators! Minnesota's Legislature proposes MORE INCOME TAXES and possibly other forms of INCREASED TAX BURDEN for you. But at the same time, BIG CO-OP CORPORATIONS AND SUPER CO-OP HOLDING COMPANIES are permitted to continue to ESCAPE the payment of income taxes on their \$600,000,000 annual Minnesota operations, profits, dividends and surplus accumulations of profits.....

Write--wire--telephone--see your legislators. Demand that all forms of business pay taxes on the same basis.

DEMAND THAT TAX-DODGING CO-OPS be taxed as you are. DEMAND THAT THEY PAY STATE AND FEDERAL INCOME TAXES.

PROGRESS OF REA, Editorial, Willmar (Minnesota) Daily Tribune, May 2---It is some time since we summarized the progress made by our local REA. In the month there were 255,600 kwh bought and 219,723 kwh sold, showing a line loss of 35,877 kwh....The average amount used by each member was 155.5 kwh....The average bill per member was \$7.14 and the average income per mile was \$15.19.

The REA is owned by the members, is paying off the money advanced by the Government with interest in good shape and aims to give service to all the farmers...Private power interests are now busy trying to pick off as many prospective members of the REA as they can, something they said would not pay them before the co-op entered the field. The wise farmer will stick to his own co-op, which will be better for him in the long run in every way.....

SNIPING AT REA, Editorial, Miami (Florida) News, May 2---One of the numerous matters in which congress cannot afford to practice false economy is rural electrification. In our opinion, there should be appropriated funds for every soundly drawn REA loan application that can be presented.

We have seen how REA is revitalizing rural Florida, and we know how earnest is the desire for further extension of service...REA power is being put to many useful services. It is a labor saver and is raising rural living standards in a way that will add to the strength of the nation.

REA has its opponents and they seem to be pretty well organized. They are sending out propaganda to rural newspapers urging that grants be restricted or stopped altogether. The slogan, of course, is "free enterprise" and "the American way".....

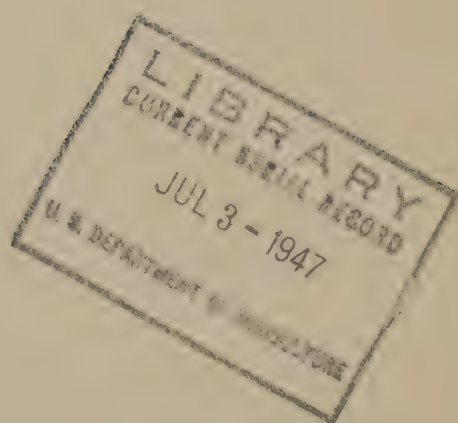
Electrification of farm homes is as important to the national welfare and security as was rural mail delivery and the parcel post.

REA GENERATING LOANS ARE NEEDED TO HOLD PRICE, Editorial, Sacramento (California) Bee, April 26---No part of the federal REA program has been under more concentrated attack by the private utility lobby than the power enjoyed by the REA to make loans for generating and transmission facilities.

And with good reason. So long as this legal authority exists, the utilities will be inclined to sell power to REA cooperatives at a reasonable price, knowing full well the cooperatives will be able to obtain federal funds for their own power plants if the rates are exorbitant.

That is why the Power Trust is waging a furious battle in Congress to have this section of the REA law repealed. Without this authorization the utilities would be able to sell the power to REA co-ops at their own price.....

In considering any proposed changes in the REA's authority, congress should keep in mind the security which the setup provides the REA consumer in assuring him good service at reasonable rates.



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REA PRESS DIGEST

July 7, 1947

LET THE WATER DO THE RUNNING, June 1947, Southern Planter, Editorial. The Virginia Farm Electrification Council is setting a pattern that other groups interested in agriculture could well afford to follow. The council, composed of leaders in the farm organizations, agricultural engineers at the V.P.L., Power company officials, and REA representatives, has as its aim "to extend the profitable use of electricity on the farm."

The Virginia group is doing one of the finest jobs in the State. Though the idea is frowned on by the Washington office of the REA, we have always felt that only through the cooperation of government, agriculture and industry can the economy of our country continue to expand. If the private power companies can extend electric lines into a rural community, by all means give them the preference. They represent the free enterprise system and pay the taxes that make government possible. But in remote rural areas, where the electric load will not pay for line extension, the REA must take over. We can't afford as a nation to choke out private business by subsidizing governmental interference. We are happy to report that the relationship in Virginia has been a most happy one.

FARMS FACE POWER DELAY--"REA Fund Reduction May Hit 1,600 in State"--by Alfred D. Stedman, St. Paul Pioneer Press, St. Paul, Minn., Tues., June 3, 1947. Farm families in many communities of Minnesota, Wisconsin, and neighboring states that had been expecting to get rural electric service in the coming year may have to wait until later.

The delay will result if the U. S. Senate approves the 25 million dollar cut voted by the House in REA loan funds, state leaders of the rural electric cooperatives asserted Monday night.

Just which families will be denied electric service if the reduction from 250 to 225 millions in loan funds is approved by the Senate can't be determined yet. But on the average, at least 100 families out of each 1,000 scheduled for service will have to wait, they said.

The number of prospective rural customers likely to be affected by the delay in Minnesota probably will exceed 1,600, and maybe about 700 in Wisconsin, where many of the unserved regions are in the western part of the state near Minnesota, it was indicated.

"It is going to be hard for the farmers to understand why such a reduction should be made in federal funds for REA loans which are to be paid back in full to the government," said Harry Edmunds, president of the Minnesota Electric cooperative.

"We are not asking for government handouts, but only for self-liquidating loans to finance rural electrification that is badly needed and that would be most economical."

"GOVERNMENT COMPETITION 'UNFAIR,' SAYS GROVER NEFF"--Journal Special Correspondence--Journal, Milwaukee, Wis.--June 3, 1947. (3). Government in competition with business and utilities is "the most serious threat to the successful working of the free enterprise system," Grover C. Neff, Madison, Wis., told the Edison Electric Institute at its annual convention here Tuesday.

Neff, president of the Wisconsin Power & Light Co. at Madison, is retiring president of the institute.

Neff hit at governmental "discrimination" against certain users of electricity. He said electric utilities paid out 19.4% of their gross revenues in 1946 in taxes (11.4% of the gross in federal taxes), while government power projects and most co-operatives escaped the federal taxes. Utility securities also are taxed while government bonds are not, he added. He asked congress, in an overhaul of taxes, to "grant equality of treatment."

Neff reaffirmed an earlier pledge to co-operate with government agencies and electric co-operatives in making electricity available to 89% of American farms by the end of 1948. By the end of this month, he said, 78% of farms will have electric power available. He said that "what amounts to an electric revolution" is needed in farm production to make maximum use of electric service. He called for research to develop improved designs for farm equipment, machinery and tools.

TEXT OF TRUMAN SPEECH ON WAY TO PROSPERITY AND PEACE. By United Press.

Kansas City, Mo., June 7. The text of President Truman's address to the 35th Division's reunion memorial service.

Keystones in Rural Progress. If American agriculture is to continue its rapid progress, we must maintain our important research projects in natural science and economics, and we must continue with our work of rural electrification, forest protection, and aid to locally organized soil conservation districts.

I sincerely hope that on careful reflection and consideration the Congress will provide the appropriations necessary for those projects and services which are designed to provide a better, fuller life for our people and a more stable productive economy for our nation.

AMERICA'S NEEDS AND RESOURCES. State Journal, Lincoln, Nebraska. June 7, 1947.

A three-year survey by a score of experts on the economic future of the United States for the next generation has just been completed by.....the Twentieth Century Fund.

Majority Well Off. The...study...concludes that if the postwar era becomes a more or less stable period of peace, and if industrial production continues to develop at the rate it has in the past, "all but a minority of Americans will be very well off." By this the experts mean that electrification of homes both in cities and on farms will become almost universal, and the appliances that follow electricity into the home will also become almost universal.

They mean also that new facilities for education, travel, entertainment and the like will be available to a much higher percentage of the total population. All of this is possible, the researchers believe, because their exhaustive study of each phase of American production and distribution indicates that an enormous market lies ready for the output of industry, and a steady flow of goods to ready buyers--which is a basic distinction from inflation--presumably will encourage more goods and services.

SUPPLY SHORTAGE IS STILL SERIOUS, REA HEADS TOLD. News, Greenville, S. C.

June 6, 1947. Shortages of material for electrification purposes are still critical but prospects for delivery are cause for some optimism, the approximately 80 persons here yesterday for a quarterly conference of managers and superintendents of the 23 Rural Electrification Administration-sponsored cooperatives in South Carolina were told.

REA COMPANY GETS PERMIT. UTILITY'S PROTEST IS TURNED DOWN. Wyoming State Tribune, Cheyenne, Wyoming. May 29, 1947. The Wyoming public service commission today granted the Carbon Power and Light Co., Inc., authority to furnish electricity to rural areas in Carbon and Albany counties, over the protest of the Western Public Service Co., of Laramie, which had, in Aug., 1944, been granted a certificate to operate in the areas involved.

Included in the additional territory which will be serviced by the REA company are the Little and Big Laramie valleys and the towns of Rock River, Bosler and Centennial.

According to the commission's order issued today the protest "made no substantial effort" from Oct. 1945, (up to which time conditions prevented,) until early 1947 to obtain materials necessary for construction of lines in the area, and "has failed to prosecute such work in good faith uninterruptedly and with reasonable diligence in proportion to the magnitude of the undertaking."

GOOD RURAL NEWS. Gazette & Bulletin, Williamsport, Pa., June 5, 1947 Editorial. Announcement in Washington of loans to the Sullivan County Rural Electric Cooperative Inc., Forksville; and to the Tri-County Rural Electric Cooperative, Mansfield, is good news to the districts served by these two groups.

The loans are for extension of electrical service to farming areas and no doubt the extension program has already been outlined with actual erection of the lines awaiting the approval of the loans.

The electric cooperatives in this area have filled a big gap in modernization of rural areas and have proved their worth in many ways. In many instances those benefiting from the service have devoted their own time in helping extend the services.

The success of the program is demonstrated best by its steady growth.

REA MAY ENERGIZE 2,500 MILES IN N.D. DURING '47. Forum, Fargo, N. D., May 25, 1947. Work Moving Ahead Faster Than Year Ago. An additional 2,500 miles of line will be energized by the REA in North Dakota before snow flies, E. A. Ulteig of the Ulteig Engineering Company in Fargo estimates.

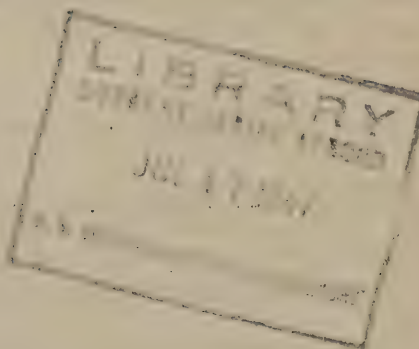
Ulteig said that work was progressing at a greater speed than a year ago, although still badly handicapped through lack of materials. The biggest bottleneck now, he said, is obtaining conductors. He said that within a week bids will have been received in the Fargo territory for nearly 700 miles of line.

LIFE IN THESE U. S. - MOVES TO POWER LINE. Evening Sun, Baltimore, Md. June 5, 1947. Washington, June 5, (AP)--The Rural Electrification Administration told today of an Arkansas farmer who couldn't get power lines strung to his home. So he moved his home to the electric lines.

J. D. Murphree, living 14 miles south of Newport, Ark., applied for REA electric service but was informed a shortage of materials made it impossible to extend the line $\frac{1}{2}$ mile to his house.

So, the REA said, he put skids under his house, hitched on a tractor and moved it to the source of power. (Also in many other papers)

REMOTE AREAS SOON TURN TO CITY WAYS Amarillo Sunday Globe News, June 15, 1947. By David Rasco. (A strip of 8 pictures across the front page of the feature section has an expanded caption describing the Rita Blanca Electric Cooperative and its construction progress).



REA PRESS DIGEST

July 30, 1947

MOVE TO SELL REA CO-OP PROTESTED, The Grange News Public Power, June 28, 1947. -- Pend Oreille County Grangers have voiced strong objection to a proposed sale of the Pend Oreille Electric Cooperative, Inc., to the Washington Water Power Company. Although a petition to call a meeting of stockholders for that purpose has been in circulation about a month, not enough signatures have been obtained to effectuate it, according to the Grangers. Last fall, a Washington Water Power attorney predicted his company would take over all the REA co-ops in the area, and an appeal has apparently been made to some co-op members on the promise that the company will serve them at lower rates. The Grangers pointed out that Bonneville would have a line into the area by next fall, assuring lower rates. The co-op is in sound financial condition and is purchasing federal power wheeled over the lines of the Mountain States Power Company, a Delaware corporation.

Complicating the situation for Washington Water Power Company has been the condemnation suit filed against it by the Pend Oreille PUD. [The members voted 172 - 70 against selling--Ed.]

IDAHO U. PLANS POWER RESEARCH, Spokesman Review, Spokane, June 6, 1947. -- The University of Idaho will be the focal point in a new, state-wide farm electrification research program just announced by President J. E. Duchanan.

It will be financed by a grant of \$7,500 a year from the three power companies operating in that state, the Idaho Power Company, the Washington Water Power Company and the Utah Power and Light Company. Formal approval of the program has been given by the University Board of Regents.

GREATLY EXPANDED FARM MARKET IS GOAL OF ELECTRICAL INDUSTRY, New York Herald Tribune, July 3, 1947. -- As one answer to talk of a recession, the National Electrical Manufacturers Association is placing increasing emphasis on the farm market, Russell Gingles, Manager of the N.E.M.A. Farm Electrification Bureau, disclosed yesterday.

The reason for this, he explained, is twofold: (1) Because of the world-wide shortage of food, farms income is likely to remain at its present record levels for a considerable time, giving rural residents a vast reservoir of purchasing power; (2) only about half of the nation's 6,000,000 farms are now electrified, and as wires are being strung to new farms at a high rate a completely virgin market is being created for all types of electrical equipment.

This includes not only appliances, Mr. Gingles said, but such equipment as motors, water heaters, feed mills, brooders, milk coolers, dairy sterilizers and hay curing equipment.

Mr. Gingles announced that the second National Farm Electrification Conference would be held at the Claypool in Indianapolis, October 7 and 8, with 500 agricultural, electrical, contracting and merchandising experts present. The program will revolve around the topic "What is Being Done and What Needs to be Done to Make Electricity the Same Force in Agriculture as It is in Industry?"

The conference is being arranged by Truman E. Henton, Head of the Farm Electrification Division of the United States Department of Agriculture. Participants will include the American Farm Bureau Federation, various engineering societies, appliance associations, N.E.M.A., Edison Electric Institute, editors, farm equipment associations and the United States Offices of Education and Agricultural Education Service.

REA PERMITS TIE-IN OF PHONES AND POWER, New York, Times, June 19. -- The Rural Electrification Administration today authorized borrowers of agency funds to contract with local telephone companies for joint use of facilities for carrying both electrical and telephone service to farmers.

REA borrowers will be allowed to lease their wires and poles to telephone companies for extending telephone service. Likewise, the borrowers will be allowed to rent facilities of telephone companies for extending electricity to rural users.

However, borrowers will not be permitted to go into the telephone business, REA said, but will be limited to supplying electrical power to their customers.

In announcing the new arrangement, REA Administrator Claude R. Wickard said such contracts "make possible certain economies in the construction of rural power and telephone lines."

CADDO FARMERS WANT PHONES. MAKE MOVES TO OBTAIN THEM, Oklahoman, Oklahoma City, July 2, 1947. -- Caddo County farmers who have no telephone service, but have electricity and desire telephone service, received cheering news from Billie Bryan, Manager of the Caddo Electric Cooperative.....

Bryan explained that the arrangement is strictly a leasing proposition and that the rural electric cooperatives will not, under the contracts being negotiated, give telephone service. That responsibility falls on the telephone company, he said.

At present a contract is being negotiated with Southwestern Bell to set up the service in the Totebo, Cooperton, and Mountain View areas as well as several rural roads in Caddo County.

Bryan said the cooperative would approve contracts with any telephone company that wanted to put the service to use.

STATE'S FARMERS FAVOR NATIONAL SOIL PROGRAM, Pioneer Press, St. Paul, Minn., July 1, 1947. -- This state's farmers overwhelmingly want the national soil conservation program continued, it was reported to Congress Monday by the Minnesota Farm Bureau Federation.

Votes in the Farm Bureau's virtually completed poll in Minnesota were unanimous in support of a national soil program, J. S. Jones of St. Paul, Executive Secretary, reported to Minnesota members of the Senate and House in forwarding the poll results to Washington.....

As to the House's cut from 255 to 229 millions for REA, 63 voted that the farmers in their areas want an increase; 6 that they favor a further decrease; and 21 that they think the House bill O.K. Thus the proportion was better than two to one against the House's 25 million-dollar cut in funds which President O'Neal emphasized are for loans, not gifts, to the REA.....

WASHINGTON COMMENT, by R. N. Larkin, Electrical World, June 7, 1947. --The committee has complained of REA's "spoon-feeding" co-ops which are going concerns. Here, the committee followed a trail which both REA and many of the companies long have trod. REA policy is to bind the co-ops closely to Washington. Policy of many operating companies which deal daily with co-ops has been to attempt to wean them away from Washington. The effort has been to convince the owner-operators of rural systems that they can do effective business with utility companies without sending every piece of paper to Washington. In places it has worked....

BUILDING THE LINES AS WE SEE IT, Qualified Contractor, National Electrical Contractors Association, June 1947, editorial. -- ...Line construction is electrical work, done by electrical mechanics and designed by electrical engineers. It is to be regretted that in so many instances, particularly in REA work, electrical contractors have let this business go by default....

The principal sources of line work are private electric utilities and REA borrowers. For the first group vigorous promotion is necessary. For REA work a knowledge of and regard for government policy is essential....

On REA work the opportunity also is big. Here we have to contend with a centralized control by a government agency. In the past and still to some extent these controls have irked the electrical contractor and he has, through NECA, protested vigorously. His voice has brought some redress. No longer is he subject to REA bid shopping.

REA retains a policy against doing business with contractors who do work for private utilities in "competing areas." There is much objection to this rule but its application is very limited. In most cases good customer relations on the part of the contractor solve this problem. "Labor-only" is still REA policy but REA officials plead that it is a temporary expedient caused by material disruptions and they promise its abandonment as soon as possible. Some contractors prefer this method of operation under present conditions. It does tend to eliminate unethical interference by material suppliers in REA jobs.....

George B. Roscoe, Editor

REA ENGINEERS MAKE STANDARDIZATION & MASS PRODUCTION PAY, Qualified Contractor, June. By J. K. O'Shaughnessy. -- When the Rural Electrification Administration Program was started on May 11, 1935, the first challenge to the engineers was to reduce the cost of constructing power lines.

Even though labor and material prices then were low, construction costs of power companies amounted to \$1,500 to \$2,000 a mile, sometimes higher. A way had to be found to bring the cost of construction down if the objectives of the program were to be met. This was the job of the REA engineers.....

CONTRACTOR STAKE IS BIG, Qualified Contractor, June. -- Spectacular progress has been made in expanding electrical use in rural areas in the past decade and the opportunities for continuing this expansion are increasing.

This is the outlook presented in a review of rural electrical expansion programs of both private utilities and the Rural Electrification Administration.....

ELECTRICITY BOOSTS FARM EFFICIENCY, American Farm Pictorial, American Steel and Wire Co., Cleveland. -- REA Program Helps American Farmers Save Time--Effort. By J. R. Cobb. -- Electricity is doing more to increase farming efficiency and improve farm living than any one thing in America. That is the opinion of farmers who have really put electricity to use on the farm. These farmers know what they are talking about. They have seen electricity eliminate drudgery by taking over many of their time-consuming and muscle-tiring chores. They have seen it increase their production and raise their profits. They have seen it transform their homes into modern, comfortable places to live, comparable in conveniences to any city home....

ELECTRICITY FOR FARMERS, Pioneer Press, St. Paul, June 16. -- The Watonwan County Plaindealer at St. James singles out the electrification of farms as the greatest potential market in the United States during coming years. Leaders in REA co-ops and in the private utilities field predict that, together, they will bring electrical power this year to about a million and a quarter farms still without it.

"The increase in electrical current will result in a correspondingly great demand for electrical appliances," says the St. James paper, adding: "Naturally, the farm women want washing machines, refrigerators and deep freezers. Farmers are expected to buy a half billion dollars worth of household appliances as well as electrified barn equipment in the next year or two. It will take at least five years to supply the refrigerators, and some five to seven million of them will be made. There will be deep freezers on every farm."

There is nothing exaggerated about this Minnesota editor's predictions. Farmers and their wives are insisting on more of the comforts of life common to town and city, and they are entitled to them. The move toward more complete rural electrification is one of the most significant ones taking place in this country in many years.

GAS AND ELECTRIC COMPANY TO INSTALL RURAL LINES, News and Courier, Charleston, S. C., June 21. -- The South Carolina Gas and Electric Company today received permission to install rural electric lines for some 15 customers five miles southeast of Chapin in Lexington County.

The Public Service Commission granted the permit after a public hearing at which the Mid-Carolina Electric Cooperative, Inc., also sought permission to install the lines.

Prospective customers testified they preferred the Gas and Electric Company after Mid-Carolina, said it could not install lines inside 90 days.

MORE THAN HALF U.S. FARMS ELECTRIFIED, Tribuna, Vitoria Espirito Santo, Brazil. (Translation) Washington. -- The Department of Agriculture has just announced that the program of electrifying the farms of the United States has reached the half-way point.....

It is significant that in the space of 11 years the percentage of North American farms which benefit from electric service has been raised from 10% to more than 50%. (Similar stories in many Brazilian papers)

REA PRESS DIGEST

August 27, 1947

TOPICS OF THE DAY IN WALL STREET, New York Times, August 6, 1947---The public utility industry has reacted with a rare degree of optimism to the reported total expenditures for expansion in the next five years. Its members also view with less alarm the appropriations situation of the Rural Electrification Administration for the current fiscal year. In this connection, they look askance at requests by the parent, the Department of the Interior, for additional funds in the light of the fact that more than \$97,861,550 of loan remains unexpended. As of June 30, 1945, total REA appropriations, they point out, amounted to \$525,428,288. Of this, \$427,566,738 had been advanced for loans, leaving more than \$97,000,000. In the two following fiscal years (which begin in July) an additional \$550,000,000 was appropriated and the REA advanced \$312,433,262 to cooperatives. "Thus, it seems," as they quote an REA spokesman, "the unexpended balance in these years has increased to more than \$335,000,000. If we should add this to the proposed new appropriation of \$225,000,000, the REA would have on hand \$560,000,000."

TOPICS OF THE DAY IN WALL STREET, New York Times, July, 1947---Factual refutation of power shortage rumors, emanating from some Federal agencies, was made yesterday by Charles E. Oakes, president of the Edison Electric Institute. "Although the early post-war growth of demand for electricity has exceeded expectations...customer demands will be met," this year and "in the years following", he declared. About 2,000,000 kilowatts will be added this year to the present total of 40,500,000 kilowatts now available from electric company generating plants, Mr. Oakes declared, adding that about 3,450,000 more will be provided in 1948, 3,700,000 in 1949 and about 2,000,000 in 1950. The rumors of an impending widespread shortage of electric power in the United States, he concluded, can be characterized as unwarranted and untrue in the light of these facts.

PUBLIC IS SPURNING UTILITY OWNERSHIP, New York Times, August 3, 1947, by John Callahan---Indisputable support for the claims that the voters of the nation are tending away from municipal, or public ownership of power plants appears in a round-up of franchise election results held in thirty-four communities in thirteen states since January 1, compiled by the Edison Electric Institute.

Only two communities, or 5.9 per cent of the total, favored local ownership of the power plants. The combined population of the thirty-four communities was 556,999 of which 3,368 or six-tenths of 1 per cent, represented the two that voted against private power company ownership.

EDITOR QUILTS RATHER THAN AID POWER COMPANY, Montgomery, (AP)---A disagreement over editorial policy prompted Charles G. Dobbins, former navy lieutenant, to resign as editor of The Montgomery Advertiser.

Immediately after Dobbins resigned, Assistant Publisher R. F. Hudson, Jr., took over a newly created position as executive editor in addition to his present job.

In a letter to Publisher R. F. Hudson and his son, Dobbins said, "it has become evident that, despite efforts toward adjustment, our separate interpretations of the public interest are irreconcilable."...

Dobbins, a former Birmingham newspaperman, said his decision to resign came because of "your insistence upon publication" of an editorial in yesterday's Advertiser criticizing the REA for approving a loan to the Alabama Electric Cooperative for construction of a steam generating plant at Gantt, Alabama...

THE FACT IS, By General Electric, Cartoon Ad, in many rural papers...

Power Companies have brought electricity to millions of farms in recent years, making work easier. Today more than 3,500,000 farms have electric power line service.

SMITH ISLAND PLANS OFFERED, Sun, Baltimore, Maryland, July 23, 1947---

Two plans for supplying electricity to Smith Islanders--one distinguished by the "unusual feature" of more than 6 miles of wire strung over open water--were presented before the Public Service Commission yesterday.

Under one, H. Harvey Bradshaw, president of the Island Light and Power Company, proposes to sell excess current from his seafood house on the island to the people of Ewell--largest of the three Smith Island Villages--and expand operations to serve Rhodes Point and Tylerton later.

The Chesapeake Islands Electric Cooperative, a Virginia corporation, presented the second plan by which Smith Island would be served by a generating plant at Tangier, on Tangier Island. The islands would be tied together by wire strung on poles across six and seven-tenths of shoal waters...

HUGE CROWD HERE FOR R.E.A. MEET, Glasgow Times---Crowd estimated at 8,000 to 12,000 gathered here for the annual educational meeting of the Farmers Rural Electric Cooperative at the high school grounds Saturday. The presentation of \$1,500 in gifts swelled the crowd...

The business sessions were in the high school building, electrical appliances were shown in the gym, farm machinery on the athletic court, and a free movie, "Frozen Foods and Running Water on the Farms," was shown in the basement of the school. Loud speakers were installed to accommodate the overflow crowd that gathered on school lawn.

L. L. Wells, president of the Cooperative, presided over the meeting, with E. B. Hatchett, the secretary-treasurer, making the annual report. Charles M. Stewart, manager of the local cooperative, gave report on the

year's operation. This showed a big increase over the preceding year...

MEETING AN URGENT FARM PROBLEM, The Atlanta Constitution, By Channing Cope.

August 5, 1947---Well, I see where the Rural Electrification Administration has loaned \$50,000 to the Altamaha Electric Membership Corporation, whose headquarters is at Lyons, Georgia, for lending to members of the cooperative to finance farmstead wiring and plumbing. This is a fine thing.

As one who helped organize more than a dozen of these cooperatives during the first years of the REA's being, and as an enthusiastic member of my own co-op here at Yellow River (The Snapping Shoals EMC, of Covington, Ga.) I may be permitted to say that this fund for wiring and installation of plumbing in farm homes is one of the most important contributions that any organization can make.

When electricity first came to the farm all of us were limited in our conception of what it might be able to do for us in the way of better living. We thought if we could have "lights" it would be wonderful enough.

But soon we learned that this magic wire could cook for us and keep our foods at a temperature calculated to improve them and lengthen their lives, could pump the water, heat the water, play the radio, and do a thousand other chores of benefit to us. All this takes additional house wiring.

We need not urge the idea upon a city dweller that plumbing makes the difference between easy living and hard living. He is used to good plumbing. But the farm family is not used to good plumbing, or to any plumbing at all, in most cases. There are few good plumbers in the small towns. (The boys coming back from service will change this situation, for they know how to plumb and also how to get to the farm and to work without waiting for a week or so. And they won't forget their wrenches, either.)

At any rate, the present outstanding problem of comfortable living on the farm is this matter of plumbing facilities. The farmer needs to be able to buy his plumbing equipment and installation in package, and with the privilege of financing it over a reasonable period. Under this system the blessings of electricity and plumbing will rapidly spread the State.

"STILL NOT IN THE PUBLIC INTEREST", Advertiser, Montgomery, Alabama, July 5, 1947.

Maury A. McWilliams, president of the Central Alabama Electric Cooperative, takes issue with our editorial "A Further Encroachment" published a few days ago. It was to be expected, of course, that he would do so. Instead of publishing his letter in the regular letter column, it is here reproduced, with comments...

This treatment of Mr. McWilliams' letter will probably arouse a further response from him. Unless there be something new in the matter, it will not be further explored in this space...

During the period of research, we tried to find by telephone Mr. McWilliams. We found him in Mobile after numerous calls over the state. He was affable enough but not very informative, referring our inquiry to his manager in

Andalusia. He did say one thing before the telephonic interview was over that is worthy of repetition. He said, "I know we (the Cooperative) do not spend as much money with you for advertising as the Power Company, and so don't expect you to take our side."

The fact is, we told him in the calmest voice that could be mustered, the Power Company always has rendered to us a bigger bill for power than we ever gave them advertising...

We will never take the part of the REA because it is the REA, nor will we ever take the part of the Power Company because it is the Power Company, or the other way around.

It is still our opinion that the REA loan for a steam plant at Gantt was not in the public interest.

COOPERATION WINS, Vermont Farm Bureau News, (First of a series of ads.)
June 1947---Vermont Electric Cooperative, Inc., Reduces Rates, New Schedules Represent Savings to Members Estimated at \$12,000 Annually.

THE VERMONT ELECTRIC COOPERATIVE, INC., started operations in 1939 by a small group of members in a few towns of Orleans and Lamoille counties supplying themselves with electricity. It was soon demonstrated that through cooperative effort satisfactory hi-line electricity could be carried, even to out-of-the-way farms -- AT PRICES THE FARMERS COULD AFFORD TO PAY.

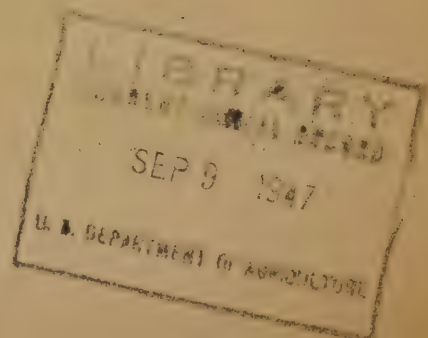
In spite of "cream-skimming" which had taken place by utility companies, the Vermont Electric expanded its facilities until its membership numbers 1,800 rural places in 45 towns of Orleans, Lamoille, Chittenden, Franklin and Addison counties.

Notwithstanding the fact that NOT ONE CENT is derived from industrial load or large power users, loan repayments are ahead of schedule and savings through co-operative operation now go to member-users.

VERMONT ELECTRIC COOPERATIVE, INC., JOHNSON, VERMONT
OWNED, OPERATED, CONTROLLED BY THE MEMBERS IT SERVES.

FARM ELECTRIFICATION PROGRAM, The Manitoba Co-operator, Winnipeg, Aug. 1, 1947--
The number of kilowatt hours purchased and generated by the Manitoba Power Commission during the month of June totalled 8,865,650 kilowatt hours. This represents an increase of 34.15 percent compared to the same period last year.

The Commission's 1947 construction program is well under way with crews working in 11 farm electrification areas embracing approximately 1,400 farms.



REA PRESS DIGEST

October 13, 1947

PRIVATE UTILITIES TO OPEN OFFENSIVE, by John P. Callahan, New York Times, September 21---The surface complacency of the private electric light and power industry in the face of sharp controversy with public power proponents since the early Thirties, is about to be replaced by a new attitude which is best symbolized in the adage that the best defense is a strong offense.

First indications of this radical departure from the official silence and anonymity...appeared in the decision...of almost 200 power and light companies to launch an aggressive program designed to reveal the "waste of public funds at Government power sites that duplicate the lines of the private power companies." Between September 25 and October 5 these companies will seek to disclose numerous examples of this condition...

One reason advanced for the sharp reversal from the negative manner with which most Federal opposition has been met was the recent charge of power lobbying made by Government power proponents when members of the industry appeared before Congressional committees considering appropriations requested by the Department of the Interior.

Declaring such assertions were "silly" and "unfounded", one utility executive said "that within the industry...50 percent of the employees were...in favor of projects like TVA. Hence, why should there be any fear of effective power lobbying in Washington or in the grass roots?"

A reason frequently advanced for the industry's reticence in its own defense was fear or retaliation by Government agencies responsible for the administration of laws governing the private power companies...

With most utility companies approaching the day when they will have completed compliance with the Holding Act of 1935, fear of reprisals is dwindling. Some incentive to oppose Federal power also lies in the growing number of Congressmen...who voted against appropriations for various Federal agencies in the last session.

Summing up the outlook for relations between public and private power, one observer said...that in the light of these two factors, the industry's proven ability to serve all demands for electric power, should result in a curtailment of Federal participation in the electric business and more concentration by Federal power bureaus on the main purpose for which they were created: flood control.

CP & L OFFICIAL TALKS TO LIONS, Raleigh, North Carolina, News and Observer, August 26---Declaring the electric membership corporations have done a "magnificent job", Vice President and General Counsel W. H. Weatherspoon of the Carolina Power and Light Company told his fellow Lions that the private power companies now are working hand in hand to carry power to every farm home that wants it.

Weatherspoon said the private companies were not equal to the financial task of developing rural power to the full extent, but cited the fact that the private concerns have built 62 percent of the rural lines and the government-financed cooperatives 38 percent.

The speaker said the task of taking rural power to all accessible farm homes was nearing completion...Of the total farms in the country, a quarter million are beyond the reach of any power lines, so the rural electrification drive has to reach only a million more homes before its task is complete.

Weatherspoon declared the original and chief source of "misunderstanding" or lack of cooperation between the private power companies and the cooperatives involved disputes over service areas. However, there is a complete exchange of information on service extension proposals between the two groups, thus eliminating the elements of rivalry and misunderstanding that marked the advent of the government-financed rural electrification program.

Weatherspoon said...that his company was selling power (to 18 electric membership corporations) at wholesale under contracts "that I believe are entirely satisfactory to the cooperatives."

PLANTS SEED, Stock and Dairy Farmer, August 1947---Up in North Eastern Minnesota a new idea has had its birth. For years this section has been the center of buyer and seller cooperatives. Trial and error taught that cooperating within the co-op was not enough. Getting along with other co-ops and private businesses was really down-to-the-earth cooperation. Along came REA and with it many stories of fights between the existing utilities and their rural counterparts. It didn't make sense to the Minnesota Power & Light and the REA in Northeast Minnesota where they knew just what cooperation meant. All knew the job was too big for anyone so getting together they formed the Northeast Minnesota Farm Electric Council back in 1944.

It was composed of all organizations interested in the electrifying business.

In July the Minnesota Power & Light invited the REA boards they serve in for a two day tour of steam and hydro plants in the Head of the Lakes region and they came. Banquet-Moonlight boat excursion and picnic were on the host and the generation of good will overshadowed electric generating. The group went back home with the idea that getting power and light to those who still want it is a big job. There is no room up here for fighting between themselves.
(Included in the story are numerous remarks made by REA co-op officials made at the banquet praising the tour.)

RETREAT OF THE OIL LAMP, (editorial) New York Herald Tribune, Sept. 15---
The recent announcement by the REA that it had granted a loan by which electricity would soon come to Smith and Tangier Islands, two scraps of land in Chesapeake Bay containing 2,000 islanders, instances the steady progress made by the REA in brightening homes in remote sections of the United States. But the oil lamp is far from being licked in rural areas. Despite the efforts of REA in the last 11 years, there are still more than 2,300,000 farms and rural dwellings that have no connection with central power stations.

It is doubtful if the city dweller, accustomed to outlets and switches at every turn, realizes how great is the need and the value of electrification on the average family owned and operated farm....

Electrification of rural areas means that there must be power stations within reasonable distance from which poles and wires can bring current. Loans made by REA are continually extending such power lines...But there is still a long way to go in stringing wires, and the dweller in cities...can remember as he "plugs in" or flips a switch that there are many mountain valleys where oil lamps must light autumn evenings and the barn lantern swings from a beam at chore time.

FARM ELECTRIFICATION BOUGHT NOT SOLD, Electrical World, August 16, 1947---

(Editorial)---He is an up-and-coming citizen, this particular farmer. He has had electric service at his place for quite a few years. In his home are an electric range, a refrigerator, a food freezer and a number of small appliances, as well as plenty of lights. A pressure water system supplies his house and barn. For handling baled hay, sacked grain and other heavy stuff, he recently built a motor-driven elevator with parts picked up here and there. But his largest dependence for power is on his two tractors, a big one and a little one, each of which his ten-year old son operates with expert ease.

"Does the power company man come around once in a while to tell you about farm electric applications and help out with power problems?"

"No," he replied. "I don't see anyone from the power company from one year's end to another, except to say "Hello" to the local manager if I meet him in town."

"Does the company send you any information on electric equipment and uses by mail?"

"No, all I get by mail is the bill."

"How is it, then, your home is so well equipped electrically? What started you to build that elevator? Who sold you all this stuff?"

"Nobody sold it to me. I bought it. And I got the instructions for the elevator out of a magazine."

This is not fiction. The farmer interviewed lives in a prosperous agricultural region. He is served by a power company recognized as among the leaders in farm electrification. Neither he nor the company will be identified now or later because to do so will do no one any good. But we wonder - and will never know - how many power companies, and cooperatives, too, can identify themselves in the frame of this picture. One thing the picture shows, one thing that's generally

known, is that there are not nearly as many men as there should be traveling the country roads selling farm electrification.

GOVERNOR ASSERTS REA AIDS GEORGIA PROGRESS, The Carroll County Times, August 14---Georgia is on the march in agriculture and industry and a major contributing factor is rural electrification, Acting Gov. M. E. Thompson told 5,000 members attending the annual meeting of the Carroll Electric Membership Corporation here Wednesday.

The 900-seat Carroll Theater was packed shortly after its doors opened and by the time the annual meeting started, the sidewalks around the corner building were covered...

Governor Thompson closed his address with praise for the cooperative for its role in Georgia progress. He stated its members had shown a willingness to look forward and work for greater things...

"Electricity is enabling the farmer to do jobs easily which they formerly considered impossible," Governor Thompson declared.

"Electricity has had a great role in the progress of Georgia and making the rural people more prosperous than ever before."

CO-OPS IN THE NEWS, By W. Gordon Loveless, Executive Secretary, Vermont Cooperative Council, Vermont Farm Bureau News, August 1947---

New ways of doing old jobs better is one of the indirect but important contributions which cooperatives make to the welfare of members. Vermont Electric Cooperative at Johnson recently assisted Harold and Kinsley Putnam of Cambridge in the installation of an electrified hay drier. The following quotation from the Co-operatives' July newsletter tells the story:

"One of the outstanding installations of farm equipment for this area is the new barn hay finisher at the Kinsley and Harold Putnam farm in Cambridge.

"It is the only electrified dryer we know about in northern Vermont. The Heins installation on the Green Mountain Power Corporation lines, although using a fan similar to Putnam's is operated with a gasoline power unit...

ELECTRIC CO-OPS AND THE FEDERAL GOVERNMENT, Vermont Farm Bureau News, August 1947, (Adv.)---Contrary to general belief, Rural Electrification Administration financed co-operatives are not subsidized by the Federal Government.

Funds are loaned to the cooperatives for line construction when feasibility studies show the projects will be self-liquidating. A mortgage is taken on the system to guarantee the loan and protect the Government's interest. There is no grant of funds. The co-operatives thus financed pay interest on their outstanding loan at the rate of two percent and make principal payments so as to amortize the debt in from 25 to 35 years....VERMONT ELECTRIC COOPERATIVE, INC.

GEORGE AND FRANKLIN HELP OUT, Atlanta Constitution (bi-line story by Ralph McGill)---In the cove between Pigeon Mountain and Lookout Mountain in Walker County, there is the farm of R. T. (Mr. Bob) Goodson and his son, Sam.

And on the farm are the most unusual farm hands you ever saw.

"What sort of help do you have?" I asked.

I was startled. There isn't much help anywhere. There is even less than that in the mountains.

"It's the best help you ever saw," he said. "Never asks for a day off or any increase in wages. They will work night or day, no matter which, and they never complain."

"Who are they?" I asked, getting out pencil and notebook.

"Well," said Mr. Bob, "a fellow by the name of Franklin Roosevelt churns for my wife and George Norris, he welds for Sam, my boy, and Franklin, he pumps water into the house and bathroom and George, he helps heat the house and cook and keep the refrigerator cold. You never saw finer help around than those two fellers."

I put up my book. I had heard many a farm man and wife express their great pleasure in electricity by TVA or REA, telling how it takes the dreary drudgery from the farm and lifted some of the great burden of labor. But none had said it as well as Mr. Bob....(First of several articles written by Mr. McGill on North Georgia farms.)

REA BRINGING ELECTRICITY TO HUNDREDS OF NEW PEACE RIVER VALLEY FARM HOMES, Tampa Sunday Tribune, (By Milton Plumb, Staff Writer), Wauchula, Florida, August 23,---"It will be strange, cooking on something other than my old kerosene stove, for I've had it for 18 years," mused Mrs. Edward Dudley Dishong, as she walked about the kitchen of her rural home near Fort Meade.

"But, REA electricity will be a Godsend."

Her statements are echoed through much of this rich farm belt as Peace River Valley Electric Membership Cooperative, Inc., stretches out its distribution lines and prepares for further extensions.

Hundreds of farmhouses are exchanging the old for the new...

(3 column feature with 4 photos.)

REA GENERATING LOAN APPLICATIONS, Electrical World, August 23, 1947---

The Senate recently directed the Rural Electrification Administration to submit all requests for generating plant loans to Congress 30 days before approval. Following is the list submitted. REA has emphasized that it has no intention of approving all the requests on this list....

RURAL ELECTRIFICATION PLANS REVEALED BY SOVIET UNION, Electrical World, August 23, 1947---A rural electrification program with the end of 1950 set as the date of its completion has been announced by the Soviet Union. At that time, it is expected that one-third of the country's 222,000 collective farms, and all of the 4,234 state-owned farms and 7,500 state-operated machine tractor stations will be electrified.

Before the war about 10,000 collectives were electrified. Many of those were damaged during the fighting, but in 1945 the electrification program began anew. By the end of 1947 it is expected that 22,000 collectives will have electricity available.

TANGIER, SMITH ISLANDERS COOL ON ELECTRICITY, Baltimore Sun, September 8---
The relentless forces of progress claimed near-complete victory over Smith and Tangier Islands today with the announcement that the two small dots of land in Chesapeake Bay are to become completely electrified under a grant of \$207,000 from the REA.

Although residents of the 280-year old communities are making plans for utilization of the new power source, there are, no doubt, many oldsters who would just as well do without it...

If current plans for the utilization of the new electric power are realized, little will be left of Tangier's quaint charm.

On the agenda are street lighting, an airport, an iceplant, two crab-picking plants, two oyster shucking plants, a 100,000 daily municipal water system, a health clinic, a community center and town hall.

More startling plans include such commercial enterprises as a beauty shop, dry-cleaning plant, a machine shop and a lighted baseball field.

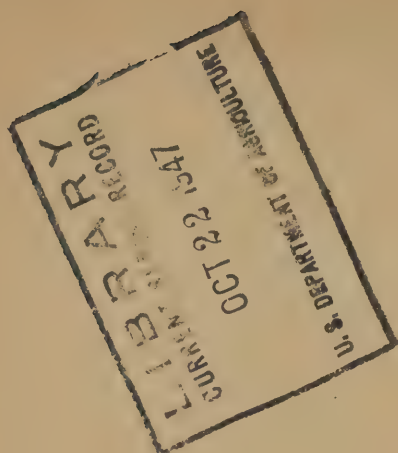
LESS THAN WAS NEEDED, Electrical World, August 16, 1947 (Editorial)---
Congress' action was both good and bad. From a cold, professional viewpoint, the Interior bill was a poor job. It does not assure the power users of both regions that the energy they need will be there when they need it. Bonneville has the money it needs for another year. This is good. But the Reclamation Bureau got only half its needs for the next year's work in Arizona.

As it happens, this does not mean that Arizona power users can not be served. If the predictable occurs, Reclamation will spend its Arizona money promptly, then seek a deficiency appropriation early next year. Prospects for the extra funds are not at all bad. One generally gets something from a deficiency request if he shows a real need. Also, consider the Republican legislative strategy - which is to economize in 1947 and spend in 1948, a presidential year. On this basis, there still is hope...

ELECTRICITY USE ON FARM GAINS WHILE PHONE SERVICE DROPS, WICKARD SAYS, Littleton, Colorado, Independent, August 29---"There are fewer telephones on farms than there were 20 years ago, but electrical service now reaches 55 percent of American farms as against 10 percent in 1935 when REA was established, "Claude R. Wickard, REA Administrator, told the Littleton Independent on his visit here last Saturday. Mr. Wickard made

it clear that private power companies contributed toward this electrification as well as the REA...

"One of our biggest problems now is to get line capacity to handle the increased loads," Mr. Wickard said. "Another problem is power production. In several parts of the country there is simply not enough produced to permit the use of more appliances...on the farms."



REA PRESS DIGEST

November 17, 1947

ELECTRIC INDUSTRY TO MEET DEMANDS, New York Times, October 16 --- The nation's power and light industry expects to meet all demands for electricity this winter despite an uncomfortably narrow reserve capacity of 5 per cent, according to Charles E. Oakes, president of the Edison Electric Institute.

Mr. Oakes released yesterday the findings of a national survey made by a group of top-flight electrical engineers and power specialists who served in a similar capacity with the War Production Board during the war.

An all-out drive to construct facilities to meet the unprecedented demand for electric power is under way, the committee reported, citing the installation of new generating capacity at a rate of 400,000 kilowatts a month. This new capacity is expected to raise the country's average margin of reserve from 5 to 8 percent for 1948.

The committee also found that the total amount of new capacity to be added in the five-year period 1947-1951 will reach 18,000,000 kilowatts, raising by 2,000,000 the total previously compiled. Of this, 15,000,000 kilowatts will be added by the business-managed electric companies. This huge construction program, the committee remarked, will take care of the increased load, growth and restore normal margins of reserve capacity...

Barring an extraordinary combination of failures of equipment that would result in localized and temporary load curtailment, the committee expected that present power demands of customers would be supplied except in cases of some of the smaller, isolated power systems. The 5 percent reserve capacity is a national average but the variation in the different regions and areas in the country is not large....

As a precautionary measure against equipment failures, many companies have arranged with some large power customers, whose service can be curtailed for brief periods with a minimum loss of efficiency, to cut their power consumption should such a necessity arise...

Total peak power demand in December is expected to be about 49,000,000 kilowatts and at the end of 1948, to be about 52,000,000. Thus in most areas of the country the margin of reserve will improve appreciably next year.

FARMERS DO WANT MORE BATH TUBS, Editorial Wallaces' Farmer, November 1----
It is not an insult to farmers to say that they need more sinks, more bath tubs and more electricity.

They need all these and more. Census figures show it. Even in Iowa, only 32 percent of the farms have running water in the house.

It is an insult to farmers to say that they should be content to get along without these modern improvements.

Corn belt farmers are using higher incomes to put in more improvements every year. They didn't put in these improvements earlier because they didn't have the money.

Many farmers have the money now. They are putting improvements in just as fast as they can get them...Let's face housing facts. And get to work to make things better.

FARM COOPERATIVES TAXED ONLY 1%, TREASURY REPORTS, Washington Post, November 1-----The treasury last night reported that the Nation's 10,150 farm cooperatives were doing about 5 billion dollars of business annually but paid only 10 million dollars to 20 million dollars a year, or less, then 1 percent in taxes.

It pointed out that more than one half of the organizations are---by law--tax exempt.

On the other hand it said, regular business concerns with annual gross sales of 59 billion dollars are paying 2 billion dollars---or almost 4 percent -- in tax levies.

The Treasury said this is the reason why some businessmen and Congressmen have charged that farm cooperatives "enjoy unjustified tax advantages over their (regular trade) competitors.

The Treasury announced its findings in a 58-page report on "The Taxation of Farmers' Cooperative Associations"....

The report made no specific recommendations for taxing cooperatives.

The National Council of Farmer Cooperatives said the report "completely disproved" charges that the co-ops enjoy unfair tax advantages...

DRINKARD HINTS WHY HE DID WHAT HE DID, Montgomery Advertiser, November 1---
The hitherto suppressed order issued by John Shaffer, chief of the Division of Local Finance of the State Finance Department, denying consent to the Alabama Electric Cooperative for an REA generating plant at Gantt, Alabama, has been obtained by The Advertiser.

Shaffer, who has approved millions of dollars of loans from the REA to distributing cooperatives in Alabama, was overruled by State Director of Finance W. H. Drinkard in a short statement which referred to a "conference with the governor" as the only reason for his approving the loan.

The full order, issued by Shaffer, is here quoted...

"The chief of the Division of Local Finance...having read and considered the pleadings, having heard and considered all the legal evidence and the arguments of counsel, finds that the issuance of said notes by Alabama Electric Cooperative to the U. S. of America will not serve a public need and is not in the public interest, and that the consent of the Department of Finance to the issuance of said notes should be denied:

"It is indicated by the evidence...that the denial of consent is based on the following facts not refuted or disproved:

" 1. Electric energy is now available in sufficient quantities... from lines of the Alabama Power Company...2. The Alabama Power Co. proposes to furnish the AEC electric energy at 6.5 mills per kwh and the testimony of experts indicates the cost...at Gantt...will be approximately 9 mills...3. Estimates for construction were too low... 4. The money will be used to serve 7 municipalities, 2 textile plants and 3 distribution cooperatives.

"If the money asked for in this petition were used to build distribution systems several thousand farmers could be given electricity who are not now receiving it, whereas, if the money is used as the petitioner requests no single farmer will be given electricity who does not now receive it."

COMPOUNDED IGNORANCE, (Editorial) Montgomery, Alabama, Advertiser, Nov. 2--- John Shaffer...has ruled on many REA loans to DISTRIBUTION COOPERATIVES. That is an important thing to remember. REA loans to DISTRIBUTION COOPERATIVES, that is cooperatives which actually serve rural consumers, have always been approved...The Advertiser is now and always has been for the development of REA financed DISTRIBUTION COOPERATIVES which will serve the rural areas of Alabama. But this Alabama Electric Cooperative is an entirely different animal. It served only cities and factories.

The Alabama Electric Cooperative has a curious history. It purchased at an enormously inflated price the old Henderson-owned power system. The inflation of that price is a story yet to be told but the Advertiser is going to probe it...

Another curious thing about the AEC is that it deliberately starved its customers with poor power service solely to build up a case for an economic monstrosity in the form of a state power generating plant.

While it starved its customers, the AEC adroitly sold its dissatisfied customers this bill of goods, "The Power Company is responsible for your sorry plight."

There will be a more detailed study of the AEC and its operation in The Advertiser soon....

ELECTRIC MOTORS 15 MONTHS BEHIND, New York Times, October 31-----More than 23 million motors and generators of all types up to 200-horsepower were on unfilled orders of the electrical manufacturing industry on June 30, comprising a $15\frac{1}{2}$ -month backlog, E. E. Helm, chairman of the motor and generator section, National Electrical Manufacturers Association, disclosed.....

But since V-J Day the industry has spent about \$75,000,000 in expanding and improving plant and equipment facilities to speed output of motor products, he said, further indicating that this current backlog amounts to a total of about \$500,000,000 in business volume.

Mr. Helm said this backlog reflects several important post-war trends, which he named as increased motorization of machine tools, increased use of motors in household equipment and continued growth in farm electrification.

Motor output has improved, he explained, except for delays due to steel shortages, since cooper supplies have eased and no labor strike exists now.....Describing increased motor uses, he added, that the American family may use as many as 20 motors.....

